No. 29.917

Wednesday April 30 1986

D 8523 B

showed radioactivity levels at least

10 times higher than normal. But

the Swedish institute for radiologi-

cal protection said 80 per cent of the

radioactive material was shortlived

and should disperse within a week.

Poland yesterday became the first of the Soviet Union's East Eu-

ropean allies to report increased

levels of radiation from the Cherno

The Polish Government banned

the sale of milk from cows that feed

on fresh grass and said children in

the north-east of the country would

be treated for possible radiation

in New York, Mr Mostafa Tolba,

head of the United Nations Envir-

onment Programme (Unep) echoed

earlier calls by Scandinavian coun-

formation about what had hap-

"Any country which accidentally spills toxic substances across bor-

ders to people living downwind

should have the responsibility to

In London, the Soviet Union

Soviet N-plant disaster, Page 3; Russia's dangerous secret, Page 14; Editorial comment,

Page 14

sharp reduction in dealing of bull-

dog bonds and driven new issue

● The exemption from duty of

provided they are sold within a pe-

riod of seven days. Bankers say this should help the development of effi-

cient market-making and block

all three changes would help indus-

"the best news both for industry

In his statement, Mr Lawson said

his main intention was to impose a tax on ADRs "at a rate which broad-

centive to use them for tax avoid-

Lex, Page 16

Continued on Page 16

business offsore.

Continued on Page 16

came under fire from all sides in

pened at Chernobyl

Tolba said.

byl reactor.

last night not have been taken up, tries for Moscow to release more in-

Britain reduces tax

can Depositary Receipts (ADRs). It share purchases by broker/dealers

from stamp duty on most categories ly speaking would eliminate the in-

ance.

on ADRs to 11/2%

### World news

# Oslo vote Leading likely to topple Willoch

A change of Government appeared nt in Norway after a decision by the main opposition Labour Party to vote against the emergency package of economic measures tabled by the Conservative-led mi-nority coalition. The Prime Minister, Mr Kåre Willoch, had warned that his Government would resign if the measures were defeated.

The prospect of Labour's return to power sent share prices phinging on Oslo's stock exchange, continu-ing Monday's decline. A further NKr 3bn-NKr 4bn (\$435m-\$580m)

was knocked off share values.

The two MPs of the small rightwing Progress Party, who usually vote with the Government, said in yesterday's Storting (parliament) debate that this time they would vote with the opposition. Page 18

### Asean summit

Foreign ministers of the Association of South-East Asian Nations (Asean) said they had agreed that the six-nation grouping should hold a summit in Manila next year. It will be the first Asean summit since

### Goiden Temple call Sikh separatist radicals in India de-

clared "Khalistan" a separate nation - from their holiest shrine the Golden Temple and called for foreign recognition.

### Food aid threat

Union action to black US ships in support of Libya could put an end to one of the largest food aid pro-grammes in Africa, say western of-ficials in Khartoum, Sudan.

### Celebration marred

A bomb explosion, disruption of high-speed train services and de-monstrations by thousands of left-wingers marred celebrations in Tokyo of Emperor Hirobito's 85th. birthday and his with year on the

### Campaign violence

Rabiul Awal Kiron, a former member of parliament, was killed and SOUTH ATRICA has taken advan-beheaded and at least 400 other taken of the shirts fall in internation. people injured in pre-election vio-lence in Bangladesh, police said.

### Haiti election call

Haitian political leader Marc Bazin, a leading candidate for his country's vacant presidency, called on the ruling National Council to set an early date for democratic

### Air links resume

US-Soviet air links resumed after a five-year gap, as a result of an agreement at last November's Geneva summit.

### Police dismissed

Peru's Government, campaigning to end police corruption, has dismissed General Julio Nins Rios, chief of the Republican Guard, its third biggest police force, and 10 of his

### Avalanche deaths

Five people were killed in avalanches in several Swiss skiing areas, bringing the death toll in Swiss Alps avalanches so far in the 1985-86 winter sports season to 32.

### Chinese slave tomb

Heavy rain halted efforts by Chinese archaeologists to pry open cof-fins in a massive tomb thought to contain the remains of 180 slaves buried alive 2,600 years ago.

# **Duchess buried**

The Duchess of Windsor, who died last week in Paris, was buried next to the Duke at Frogmore, the royal burial ground at Windsor Castle, west of London, after a simple fun-eral service attended by the British

# indicators up 0.5% in US

Business summary

US INDEX of leading economic in dicators rose a modest 0.5 per cent in March: reflecting what Com-merce Secretary Malcolm Baldrige described as "some soft spots in the economy." Page 4

DOLLAR rose in London to DM 2.1755 (DM 2.1640), SFr 1.8195 (SFr 1.8080), FFr 6.9325 (FFr 6.8975) and Y167.8 (Y167.15). On Bank of England figures, its exchange rate in-dex rose from 113.2 to 113.4. Page 31

STERLING fell slightly against the dollar to \$1.5525 (\$1.5555). It rose to DM 3.3775 (DM 3.3856). SFr 2.825 (SFr 2.8125), FFr 10.7625 (FFr 10.73) and Y280.50 (Y280.0). The pound's exchange rate index rose to 76.6 from 76.4. Page 31

WALL STREET: The Dow Jones industrial average closed 17.86 down

LONDON: Issues gained on confident industrial reports. Gilts also advanced. The FT Ordinary share index rose 25.9 to 1.391.2 and the FT-SE 100 put on 27.5 to 1.856.3.

TOKYO: Stock exchange was close for a national holiday. Surge in US bond activity, Page 38

GOLD rose \$1 in the London bullion market to close at \$345.75. It fell in Zurich to \$343.25 from \$343.50. In New York, the Comex June settlement was \$346.90. Page 36

KEC annual inflation rate, excluding Spain and Portugal, fell to 3.5 per cent in March from a 15-year low of 4.1 per cent in February. West Germany recorded 0.1 per cent and Greece 24.8 per cent.

RRFTISH manufacturers expect sharp improvement in output in the coming months as they emerge from a period of stignation over the winter, according to the Confederation of Striish Industry, Page 11 KENYA began talks in Paris with the World Beak and a group of Western donor countries and orga-

nisations aimed at reviewing aid

al oil prices to replenish its strate-gic oil stockpile, Gerhard de Kock, Governor of the Reserve Bank, **ELECTRONICS: Mounting Western** 

restrictions on sales of electronic components to Eastern Europe might lead to a permanent gulf be-tween the two blocks, according to Jan Kolodziejczak, managing director of Telkom Peletra, Comecon's only producer of electronic tele-

phone exchanges, Page 7 PHILLIPS Petroleum, US integrated oil group, suffered a first-quarter setback with net operating profits of \$96m against \$115m in the corresponding period a year ago. Profits per share, however, were sharply up at 39 cents against 26 cents, reflecting the group's debt for equity swap last year as it fought off take-

RASTERN AIR LINES of the US blamed cut-orice fares and strike threats for a 1986 first-quarter net loss of \$110.62m against a profit of \$24.3m. Page 17

BETHLEHEM STEEL, beleaguered US steel company that ran up fur-ther heavy losses in the first quar-ter this year, said Mr Donald Trant-lein, its chairman for the pest six ears, would retire at the end of

AUSTIN ROVER is strengthening its dealer network in West Germany and preparing to pay more than £2m (\$3.1m) extra in tariffs on exports to Spain as part of a European sales drive. Page 8

NEDRANK, troubled South African banking group, reported after-tax mid-year profits down almost a third at R32.2m (\$10.3m). Page 17

D-MARK Eurobonds: A record new issue calendar of DM 18.73bn has been registered for issue in May, the Bundesbank said. Page 20

# Soviet Union asks for assistance and reports first deaths

# Reactor 'burning out of control'

certain leak of radioactive sub-

to put out the fire."

BY PATRICK COCKBURN IN MOSCOW, KEVIN DONE IN STOCKHOLM, RUPERT CORNWELL IN BONN AND DAVID BUCHAN IN LONDON

viet Union was burning out of con-trol. There might be a possible melt-in the vacuum

vacuated plant, but added that radiation levels at the plant and "adja-cent" territory had "stabilised." Unofficial reports have suggested a far higher death toll. A report by one newsagency, UPI, spoke of a figure as high as 2,000, but added

that that could not be independently or officially confirmed. Diplomats in Moscow last night said they knew of no evidence to support news agency reports of a

very high casualty figure. commentary was the first precise statement about the scale of the accident from the Soviet Government, which earlier asked West Germany and Sweden for advice on how to fight a reactor

A Soviet Government commission, headed by a deputy prime minister and including heads of ministries and scientists, was said last night to be "working in the lo-

THE BRITISH Government gave

the go-shead yesterday to the creation of a sterling commercial paper

The decision, contained in a writ-

The decision, contained in a written reply by Mr Nigel Lawson, Chancellar of the Exchequer, was warmly welcomed in the City of London last night as laying the basis for a major new financial marbet where large horrowers and investors will trade short term money

directly among each other in the

It comes in response to pressure

BY PAUL TAYLOR IN NEW YORK

form/of unsecured paper.

neered in the US.

market in the UK.

lieved last night that graphite mod-causes. People at the Cherobyl erator material at the Cherobyl plant settlement and three nearby r reactor near Kiev in the So- villages had been evacuated and

lown of the fuel core itself in what was virtually a news blackout by is already being considered the the Soviet authorities, unconfirmed worst nuclear accident in history.

A Soviet Government statement indicated that an 18-mile security admitted that at least two people zone had been imposed around the had died in the disaster at the now stricken and burning Chernobyl plant. But life in Kiev, 80 miles to the south and with a population of 2.4m, appeared to be normal.

ist, the Soviet national tourist agen-

nical aid to deal with the accident. But the Chernobyl reactor, which works on a water-cooled graphitemoderated process unique to the Soviet Union, is used for both civil and military purposes. Perhaps significantly, the two Western countries from which Moscow has sought advice - West Germany and Sweden - are not nuclear-weapon

The accident, according to yester-

 One person was tolled, the only known death before the Chemobly disaste place in one of Chernobyl's four 1,000 Mw reactors. "It resulted in they said a fire at the Windscale nuclear power station in northern England was the only known previthe destruction of part of the strucous case of a graphite fire at a nu-clear plant. That suggestion seemed tural elements of the building housing the reactor, its damage and a

Experimental pressure tube Experimental fast reactor Plutonism

Experimental fast reactor

Magnoz reactor Experimental reactor

lutonium production react:

m production pile montal mobile reactor

as Britain had not been asked for stances." The three undamaged reactors have also been shut down. In its search for international At the same time, the Soviet Amhelp to put out the reactor fire, the Soviet Union yesterday contacted the Swedish nuclear inspectorate. bassador to Bonn met a senior West German Foreign Ministry official to seek similar help. According to unofficial reports, provide such information," Mr Mr Frigyes Reisch, an inspectorate official, said: "They wanted to know the Soviet Union has sought medi-

how to approach the problem: how cal help from West Germany. Meanwhile in Denmark, people were queueing to buy iodine tablets, Swedish officials stated that they told Moscow they had no knowlthe usual antidote in radiation edge of how to control a graphite fire at a nuclear power plant, but

In northern Sweden, where fresh rain or snow had fallen in the previous 24 hours, tests yesterday

BY PETER MONTAGNON IN LONDON

THE UK Treasury vesterday

amended its controversial budget

plan to impose tax on the conver

sion of British shares into Ameri-

said the rate would be cut to 1% per

cent from 5 per cent.
Its decision follows a wave of pro-

tests from British stockbrokers and

eign investment in Britain, ADRs.

which are actively traded in New

York, are US securities repre-

senting shares in foreign compa-

Lawson, Chancellor of the Exche-

The restoration of exemption

of corporate bond issues and so-

called buildog bonds (sterling issues

by foreign borrowers in the UK

market). Since the budget an-

nouncement this tax has led to a

quer. Other changes include:

# China pays the price for year of rapid expansion

By Robert Thomson in Peking and Colina MacDougali in London

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CHINA'S pragmatic leadership has suffered a twin blow to its central objective of liberalising the economy and creating wealth as opposi-tion to the new policies continues to block reform.

Attempts to slow growth after last year's excesses have backfired and there is now a langer of economic stagnation, according to diplomats. Ambitious trade forecasts for 1986 have been wered significantly, and several joint ventures with foreign compa-nies will be under threat because of renewed controls on foreign ex-

change spending. China's leadership also suffered a eversal when the National People's Congress – the country's parliament – publicly revised Premier Zhao Ziyang's report to the meeting this month before approving it. This is an unprecedented snub to a top leader and signals a difference in

policy at the highest level. The changes to the document appear to voice the policy anxieties expressed by elderly economic leader Chen Yun at an important party

meeting last autumn and reflect adjustments to the pragmatic policies aid down by Deng Xiaoping, the Chinese leader, in recent years.

Two of the three additions to the report highlighted by the official Xinhua newsagency relate to the need to focus on agriculture, particularly grain, and on Marxism and building a socialist society. Last September Chen Yun, in the first such call made in China in recent

years, demanded more attention to grain production, emphasising There is no economic stability without agricultural development." While Chen was one of many leaders last year who made a call for more socialism, his speech was the toughest, saying that neglect for ideology was "by no means a small problem" which might end in total

industrial leaders, who argued that trading.
the tax would inhibit their ability to raise capital abroad and deter for of the London Stock Exchange, said eviation from Marxism. A third insertion in Zhao's report gives greater space to the provision try to continue raising capital on of aid to minority and povertycompetitive terms, though he added stricken areas. That marks a dis tinct shift in Peking's policy, which and for London as a world financial held that prosperity could come on-The announcement was part of a centre would still be the abolition of ly by spreading naturally from the series of changes to the budget and duty so that the market can commore affluent east coast. nounced yesterday in a written pete on level terms with the market parliamentary answer by Mr Nigel in the US."

A further change gives the paragraphs on education a more radical China plans to reduce trade vol-

ume this year, while investment in fixed assets will be kept at 1985 levels for the next two years. Capital construction projects are to be re-

Continued on Page 16

HUCLEAR BELTDOWN INCIDENTS Resctor NRX (Cen EBR-1 (US) In the vacuum caused by that ie (UK) SL-1\* (US) Enrico Fermi (US) Chapelcross (UK) St Laurent (France) Lucens (Switzerlan Lucens (Switzerland) Three Mile Island (US) Chemobyl (USSR)

However, Western journalists and diplomats were yesterday effectively barred from travelling to Kiev, while at the same time Intourcy, said that tourist groups were still being taken to the Ukrainian

capital.

The US yesterday offered the Soviet Union humanitarian and tech-

cality," presumably as much to ma-day's brief official statement, took ties should inquire of Britain, as

London clears way for £

S. G. Warburg, the merchant

banking group, amounced last night what it claimed was the UK's first commercial paper is-sue: £100m werfn for PHH Inter-

national, the subsidiary of a US company relocation and trans-

port company. The Issue will be made as soon as the necessary legal and regulatory arrange

ments are complete.

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

keen to replicate the highly success-ful commercial paper market pio-the main legal obstacle to the crea-

Although it is not directly related Large companies are expected

to other changes sweeping through
London - the so-called Big Bang - and could have effectively become

the new market will extend the deposit takers, an activity permit-range of financing options available ted only to licensed banks.

to UK companies, provide institu-tional investors with a new home

**Beatrice sells Avis** 

to Simon-led group

\$6.2bn leveraged buy-out by Kohl-berg, Kravis, Roberts, the Wall nonneed plans to sell Avis as part of

Simon, the former US Treasury Mr Warren E. Avis, Avis's founder.

Terms of the cash deal were not For Westay and Mr Simon, the

disclosed, although Wall Street ana-planned acquisition marks the lat-lysts have previously estimated est in a string of deals put together

that Avis, first put on the auction in recent years. Mr Simon, who is a

block last October, might fetch any- co-founder and chairman of the in-

thing between \$100m and \$300m. vestment group, sprang into public

thing between \$1,00m and \$300m. Vestment group, sprang has plant.

Last year, UAL, the parent of Unitprominence again after masterprominence again after masterprominence again after masterprominence again after masterminding Wesray's acquisition of
Gibson Greetings, the greetings
group.

group.

Beatrice said the deal covered for about \$80m. A year later, WesAvis's domestic and foreign car rental and leasing businesses. If the said price which valued the group at
deal, which is subject to a number

\$330m.

of conditions, is completed it would Since then, Wesray has success-

mark the latest in a long string of fully completed a series of buyouts,

ownership changes for Avis. Avis is mostly for \$110m or less. Earlier

commercial paper market

for the new market, which could

in order to reduce the risks,

start within three weeks.

suggested that the Soviet authori-

access will be permitted only to companies which: • have ordinary or preferred stock listed on the London Stock Ex-

change have net assets of at least £50m (\$78m) e can say there has been no mate-

rial change in their condition since their last financial statements. for their money, and add further

depth to the London markets.

This definition was to large, well-known compenies, but it will also include borrownies, but it will also include borrownies, but it will also include borrownies. from both the UK financial markets Banking Act would be amended to and large companies which are exampt commercial paper from the ers from outside the UK. Issues of commercial paper will be in minimum denominations of tion of the new financing facility.

£500.000 and may have maturities between seven days and one year. They are intended for professional investors, and will be exempt from stamo duty. No tax will be withheld on interest payments. The Bank of England last night Lex, Page 16; Feature, Page 20

By James Buxton in Rome

ENI, the Italian state energy group that returned to the black in 1985 BEATRICE, the US food and con- cently, Beatrice, which acquired the sumer products group which was unit when it took over Esmark in acquired earlier this month in a 1984. Street acquisition specialists, has its efforts to raise 52bn to reduce agreed to sell its Avis car rental debts incurred in the Esmark take-business to Wesray Capital, the investment group led by Mr William suitors have emerged, among them

1.44,701bn. At the time, it stated the figures as L88bn on sales of L45,349bn.

Mr Reviglio pointed to increased erations all made losses, although at a lower level than in 1984. Operating profit was L3,129bn against L2,896bn in 1984. Debt fell

# ENI warns of setback after record profits

with record profits, gave a warning yesterday that it might suffer a big reduction in its operating profits and self-financing this year as a result of the dramatic fall in the oil price.

main in profit, said Mr Franco Reviglio, chairman. He presented the 1985 accounts showing profits of L816bn (\$549m) on sales of L46.708bn. In 1984 ENI lost L65bn on sales of

profits in the energy sector, which makes up nearly 80 per cent of ENI's turnover. But there were sharply increased losses in chemicals, and ENI's minerals, textile machinery, and textile and clothing op-

from L17,962bn at the end of 1984 to Continued on Page 16

# Varies 1 resist a state of the problem, we have the equipment to Linsing have more trucks, more service engineers and more years handle it. in experience than any of our competitors It's what made an independent tuckness survey or marketing number one in lift truck quality, reliability, long

America..... 4 Overseas ..... 5

Management: the Ha- Plastics: French group exniel trading group ..... 12 pands internationally .... 17

Mexico: trial gives life to mo- N-plant disaster: Russia's

the second largest car hire compa-ny and was founded in 1948. Since then it has been owned by ITT, Nor-ton Simon, Esmark and, most re-interests.

ral renewal ...... 4 dangerous secret ...... 14 Arab summit: conflicting Saudi Arabia: why oil price aims muddle agenda ..... 5 fall may be beneficial .... 15 Technology: new temperatu- Lex: ADRs; UK construction; re sensitive material ..... 7 Liberty Life ........... 16

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 6
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to man, E SPEANS.

# French concern on risk of inflation revival

would have been FFr 159bn

rather than the FFr 200bn

At the same time the

absence of virtually any

commentary on the figures tended to confirm reports

that Mr de la Geniere had

removed parts of his original text arging priority for re-ducing the budget deficit.

As it is, the Government is

planning next year to cut taxes by about FFs 25bn and

the budget deficit by about FFr 15bn—goals which are like to prove difficult. At the same time. Mr de la Geniere

confirms that the deficit in

Paul Betts reports from one of France's largest North African communities

Election fans Marseilles racial tensions

claimed by the right.

BY DAYID HOUSEGO IN PARIS

THE Governor of the French central bank warned the Government yesterday that reducing the inflation rate must remain the principal economic priority. Giving his annual re-port on the economy, Mr Michel Camdessus also called for the rapid removal of the foreign exchange premium French people have to pay on the purchase of foreign stocks and of other restrictions on capital

The report is traditionally one of the few occasions on which the governor comments publicly on the state of the economy and on macroeconomic policy. It is also the first assess-ment made by Mr Camdessuswho was appointed under the Socialists—since the right came

to power. Warning that France cannot permit any delay in closing the inflation gap with its main European competitors, he called for a further reduction in the budget deficit, the lowering of year, real wage costs and a con- overal

I was born in France and my nationality is French. I don't

really speak Arab. But although

I'm French I feel I'm not physically integrated here."

"I'M BEGINNING to ask North Africans is even greater

FRANCE'S new conservative government was caused considerable discomfort yesterday by the publication of an official report which showed that the Socialists' manage-ment of the state's finances was not nearly as bad as the right had made out during the election campaign, writes David Housego.

The report was commissioned by Mr Jacques Chirac, the Prime Minister, from Mr Renaud de la Geniere, the former Bank of France governor. It showed that before the recent supplementary budget, the overall budget deficit for this year

In future, he said, there could be far more flexibility in the use of interest rates to keep monetary growth within the 5 per cent official target for this year. While he expected the inflation does not recede or if it revives." he said.

real wage costs and a con- overall trend to be down, this Mr Camdessus's warning co- likely to add about 0.5 per cent ing investment — tinuingly right monetary policy. did not exclude a rise in in- incides with government con- in a year to the consumer price Europe.

the Social Security Fund is likely to rise to FFr 40bn. His calculations show that the overall deficit of the public administrations—the public administrations—the state budget, the local authorities and the social security fund—fell as a percentage of GNP from 3.1 percent in 1983 to 2.6 per cent last year. It had been, however, only 0.2 per cent of GNP in 1980 when Mr Baymond Barre was Prime

Mr de la Geniere also says that the domestic public debt rose from FFr 418bn at the end of 1980 to FFr 1,228bn at the end of last year.

mond Barre was Prime

terest rates if pressures on the cern about a widening of the financial markets warrant it difference between France's in-"Rates must remain high if figure rate and that of its Euroflation rate and that of its Eurobean partners. The recent devaluation of the franc is itself

index. On top of that, the increases in French agricultural prices and the risk that re-tailers and the service industries will exploit the change of government to raise their prices could add inflationary pres

The first sign of this danger came in last month's 0.3 per cent rise in the consumer price index after months of virtual stability. It was this that led Mr Jacques Chirac, the Prime Minister, to warn of the risks of inflation reviving when he ade his first television broadcast last week.

The bank governor implicitly linked his remarks on the easig of exchange controls to an agreementamong France's partrole for the European currency unit in official transactions. West Germany, in particular, hase been reluctant to agree to this until France removes restric-tions on capital flows - includ-

# Italian party chiefs agree on broad economic strategy

BY JAMES BUXTON IN ROME

LEADERS of the parties which make up Italy's miling coalition have reached a set of agree ments which ought to ensure that Mr Bettino Craxi, the Socialist Prime Minister, says in power at least until the end of this year. For the time being there is to be no cabinet remaining period of the legisla-maining period of the legisla-maining

But an important by-product of sattlement, achieved after talks which began nearly six weeks ago, should be change in the structure of Italy's private TV networks. These are dominated by Mr Silvio Berlusconi, an entrepreneur who is also involved in private TV in

France.
Negotiations between the leaders of the five parties—the Christian Democrats, Socialists, Republicans, Social Democrats and Liberals—were aimed at relaunching Mr Craxi's government which took office in August 1983. After almost 1,000 days to possess it is character. days in power, it is showing signs of age, being easily the longest surviving government this year.

maining period of the legisla-ture, which officially runs until mid-1988.

The question of reshuffling the cabinet was shelved until after the Christian Democrat party congress at the end of

After this important event which should reconfirm Mr De Mita's leadership but also make important changes in the party's internal balance of power, the whole question is likely to have to be reopened.

The coalition has committed itself to a broad economic stra-tegy aimed at bringing the con-sumer price index down towards an annual rate of 5 per cent

# **Spanish Communists** unite to fight election

BY TOM BURNS IN MADRID

SPAIN'S ruling Socialist Party, of the Moscow-aligned Spanish which is seeking to renew its mannouncement yesterday of an elec- Communist

form in last month's referendum on Spain's membership of Nato.

Unida (United Left) brings together pro-Soviet dissidents. the mainstream Communist Party and a rival pro-Soviet Communist group, created two years ago, as well as smaller, extra-parliamentary parties run by former comin the anti-Nato campaign.

Mr Gerardo Iglesias, secretarygeneral of the Communist Party, announced the formation of Izquies da Unida. He said he hoped to retain the support of nearly 7m Spanitans who voted against Nato in the which has also experimented with referendum on March 12. The prohamond based left wing coalitions.

Nato stance of Mr Felipe Conzalez,

Nato stance of Mr Felipe Conzalez,

The development marks the first time that the Communist Party will as a second of the communist party will are party of the communist party will as a second of the communist party will be provided by the community of the community party will be provided by the community party party will be provided by the community party p

Mr. Tylesias had been in discussions with other left-of-socialist groups hoping to create an electoral alliance ever since last week when Mr Gonzalez announced the June 22 polling day.

broadens the Communist Party appeal by bringing to a joint platform groups headed by personalities such as Mr Ignacio Gallego, a Spanish Civil War veteran and the leader position, Coalicion Popular.

Communists, and Professor Ramon date in general elections on June Tamames, a well known economist 22, will face a determined challenge who left the party because he be-from the left following the an-lieved it not to be sufficiently Euro-

succession of personality clashes report. In considering whether

Mr Carrillo led the Communists in the 1982 elections when the party retained just four of its 23 seets in the 350-member Congress.

The programme drawn up by the not arise." munists, former Socialists, ecolonew coalition seeks to attract voters gists and pacifists who were active distilusioned with the cantious. Sodistilusioned with the cautious, So cial Democrat policies pursued by Mr Gonzalez's Government.

By establishing itself as the axis of Izquierda Unida, the Communist

go to the polls in Spain as part of an electoral alliance. The first opinion pell on the forthcoming elections publishes yestenday by the news magazin Cambio 16, indicated that the Socialists would comfortably regain a

The Socialists were backed by 44 per cent of the 1,200 Spaniards sur-

# **Dutch** bank head urges action on budget

MR Wim Duisenberg, Dutch Central Bank president, has warned that greater efforts must be made to cut the Netherlands' Government budget deficit or else the state debt will threaten to overwhelm public finances.

Mr Duisenberg argued in the Nederlandsche Bank annual report released resterday that austerity policies would have to be intensified in coming years because of plunging state revenue from natural gas and past reductions of taxes and social security premiums. The plea follows similar recommendations last week by the Organisation for Economic Co-opera-

The president also explained that the Dutch guilder's current weakness within the European Monetary System (EMS) pre-vented further reductions in official Dutch interest rates in the near future. Mr Duisenberg predicted it could take several months before the guilder and D-mark resumed their normally strong positions in the EMS following their recent revalua-

He also told Dutch radio that he believed Fl 14an (£3.6bn) of budget cuts ought to be made next year instead of the Fl 9bn agreed by the cabinet. therwise the deficit as a percentage of net national income (NNI) would spurt to 10 per cent from 8 per cent this year because of drastically lower gas revenue.

"The problems facing us are so grave and the economising efforts already made have been nouncement yesterday of an electoral coalition.

The coalition unites several parties that formed the anti-Nato plate

Mr Santiago Carrillo, the former
ties that formed the anti-Nato plate

Communist.

Excluded from Exquierda Unida is

Mr Santiago Carrillo, the former
tributions are no longer ruled
out." Mr Duisenberg said in the with the mainstream perby as well to raise taxes for private in-The coalition, called Izquierda as with the Euro-Communist and dividuals or businesses. he builds (United Left) brings together pro-Sovjet dissidents. not be shifted too lightly to industry, which competes directly with the countries around us where this budgetary complication (lower gas income) does

### FINANCIAL TIMES

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### myself questions about my in the old centre of the city. identity because of the general atmosphere here." said the between the railway station and between the railway station and Etrangers and an active member however, the traditional rightatmosphere nere. Said the between the railway station and pretty dark faced girl in the Maison des Etrangers, a immigrants account for 42 per cavernous building which now acts as a cultural centre for foreigners and once housed the Air France terminal in Marseilles city centre. of a local immigrant radio station called Radio Gazelle. wing parties have continued to ation called Radio Gazelle. emphasise that they would "The older generation of never agree to an association Arabs who came here to work in the construction industry are with the Front been taken over. "In Marseilles, many people worried. Many say they want to are not embarrassed to say they openly support the Front," said go home. Some have already "I'm of Algerian origin but Inroads

Although Marseilles has traditionally been socialist— Mr Gaston Defferre its veteran mayor and the former Interior Since the Right's victory in Minister has ruled over it for the general elections last month 33 years - the National Front and more specifically the suchas been making significant cess of the extreme National inroads in recent years. Front, immigrant communities campaigning on the related have become increasingly themes of immigration and have become increasingly themes of immigration and apprehensive. Anxieties are insecurity. In the last election, running particularly high in it won more than 22 per cent Marseilles which is home to of the vote to become the one of the largest North African second party in the city. It also immigrant communities in gained four of its 35 National France and whose city centre has been turned into what du Rhone department of

has been turned into what du Rhon locals call "the biggest casbah Marseilles. on the Mediterranean."

"The immigrant community
About one in ten of the more
than 1m inhabitants of the
greater Marseilles area are election and the fears of what

quarrelling among themselves," said Ramzi Tadros, the librarian at the Maison des

sent back some funds and other goods. But there are many young people who have a job or are looking for a job and want to stay here and find a way out of their difficult situation." It was now crucial, he said, for those younger immigrants

to become more conscious of the need to express themselves politically. "The new govern-ment has announced tougher laws to control immigration and they say they will expel people whose identity papers are not in order. There will be more checks. Foreigners will have to become prepared for this."

Mr Jean-Claude Gaudin, leader of the centrist UDF group in the National Assembly and the main right-wing con-tender for the Marseilles town

Profits at an

I time record

the way for a similar associa-tion eventually in the muni-cipal council. At national level,

a long standing foreign resident. "Their candidates and local leaders on the whole are well established local figures with good middle class social credentials. You really can't accuse them all of being way out fascists or extremists."

Variety

Indeed the Front won votes from a variety of social classes —from the old Marseilles bourgeoisie to the petit peuple who had voted Communist, Socialist or neo-Gaullist in the past. Its spectacular success boils

down essentially to the immi-grant invasion of the city centre. The real problem in Marseilles is not the ugly tower blocks in the northern quarter with 80 per cent or 90 per cent immigrants. Of these, Algerians could happen. Arab communihall in 1989, agreed to forge a foreign tenants. Few people take alone make up more than 40 ties are trying to regroup political alliance with the Front much notice of what happens in per cent. The concentration of themselves and trying to stop in the regional council, paving these ghettoes which have be-

themselves (the Algerian or Tunisian consul has more in-fluence in these areas than the French authorities). What the Marseillais object to is the fact they feel their city centre has

The description of the old city centre as a huge Arab supermarket is not an exaggeration. "Marseilles has become a key commercial centre for North Africans. Tunisian girls come and buy their marriage trousseaus here. We estimate the business done here at around FFr 3.5bn (£326m) a year in turnover," said a member of the Marsellies employers' federation.

Until recently the Canebiere the famous avenue which splits the old town, acted as a dividing line but Arab stores have now begun to move across into the smart shopping streets.

The city centre problems have provoked other issues which have fuelled racist feelings. The crime rate is high in Marheilles and this is inevirably blamed on the high concentration of immigrants. The immigrant population and their higher fertility rate have also had an impact on schooling. In turn, this has led to an exodus of local residents to new suburbs or nearby towns like

In an effort to improve the situation, Mr Defferre has brought all the outside Arab stalls and merchants into a former brewery near the station which now acts as a huge indoor south. More police have been brought into the city centre and a building programme has been launched. Mr Defferre says a new development plan will be announced soon for the city

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April 30, 1986

# 1985/86 **RESULTS**



If you would like to know more about 45, nte to the Secretary for a copy of our curr Report & Accounts, Tootal Group pls,

London Zürich

Paris (fixing) sagth New York (June)

record of £27.4m (1984/85: £22.9m) and the proposed final dividend of 2.5p will bring the total dividend for the year to 4p per ordinary share (1984/85: 3.1p per share). I look to a satisfactory increase in earnings and dividend in the current year." "Intensive planning has resumed on the expansion able impetus from the recent recruitment of

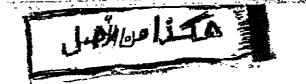
"I am delighted that the Board have been able to justify the support and confidence of shareholders. Profits have risen by 19.8% to an all time

of the Group. This process will receive consider-Geoffrey Maddrell to be Managing Director of the Group. He brings a proven experience of business development which will be of great benefit to us in this next phase of Tootal's profitable growth to the continuing benefit of its shareholders, managers and employees."

> Alan Wagstaff CHAIRMAN

	1985/86	1984/85
	€,000	£2000
Sales	388,040	435,356
Profit on ordinary activities before tax	27,385	22,851
Earnings per share	9.4p	7.5p
Dividends per share	4.0p	3.1p
Return on capital employed	18.8%	16.0%

The above results are extracted from the full Group accounts for the year ended 31 January 1986, which carry an unqualified audit report and will be filed with the Registrar of Companies.



# Sweden protests to Moscow over lack of warning

BY KEYIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE SOVIET UNION has asked Energy the Swedish nuclear authorities for help in dealing with the serious accident at the giant Chemobyl nuclear plant north of View. A similar request was made to the West German Government through the Soviet embassy in Bonn.

id un

The level of radioactive fall out over Sweden and other parts of Scandinavia began to abate yesterday and a change in thet wind direction means radio active discharges are blowing towards the Black Sea.

The Swedish Government complained yesterday to Moscow about the lack of warn-Moscow about the lack of warning from the Soviet authorities about the accident and has put a series of questions to the Soviet Foreign Ministry seeking more information. The Finnish Government, however, decided yesterday not to ask for an official explanation.

In Copenhagen, Mr Poul Schlueter, the Danish Prime Minister, criticised the Soviet delay in releasing information

delay in releasing information and said that Denmark, which has no nuclear power stations, is to seek a treaty with neighbouring states to govern rapid

access to information in the case of nuclear accidents. Sweden's National Institute for Radiation Protection said about 80 per cent of the radio-active material that had fallen on Sweden should be dispersed within a week. The rest would remain much longer and is expected to drain through water courses into rivers and lakes.

In northern Sweden in areas where fresh rain or snow has fallen in the past 24 hours tests have shown levels of radio-activity at least ten times above

The Institute said that the general levels of radioactivity were still so low that no special protection measures by individuals were needed.

In its search for international In its search for international help to deal with the accident the Soviet Union yesterday had contact with the Swedish Nuclear Inspectorate. Mr Frigyes Reisch, an official there, said: "They wanted to know how to approach the problem, that is to say how to put country the fire."

by the disaster. In Warsaw, Mr Jerzy Urban, the government spokesman, confirmed that a radioactive cloud has passed over the north-act of the country but refused details of either when the Poles had first monitored the increased radiation or when, if at all they had been warned by

Mr Reisch said that it was

Minister, said that Sweden had pressed the Soviet Union on repeated occasions to tighten safety at its nuclear plants, but without success.

A Danish articulated truck that arrived by ferry from Poland in southern Sweden yes terday having travelled through the Kiev region yesterday showed levels of radioactivity some 50 times higher than normal.

Rupert Cornwell adds from Bonn: West Germany yesterday offered the Soviet Union all its available help and expertise.
The Soviet embassy has requested the assistance of both
the Government and the

Deutsche Atomforum, the country's nuclear organisation. Dr Thomas Roser, Atomforum director, said last night there was no precedent for dealing with a meltdown of the graphite core of the Soviet reactor. Once the graphite is on fire, experts say, it can only be put nt by sealing it off from air. Therwise a radioactivity-Otherwise a radioactivity-generating chain reaction would continue.

continue.

The authorities here emphasised yesterday that the radiation leak from Chernobyl as yet posed no danger to West Germany. In the extreme northeast of the country, most exposed to the threat, levels of radiation were two to three times normal accountry. times normal, according to a spokesman.

Mr Heinz Riesenhaber, the Technology Minister, declared that a similar accident would be impossible in West Germany, where nuclear power meets 35 per cent of energy require-

Leslie Colitt adds from Berlin: Eastern Europe's ambi-tious nuclear energy pro-gramme, which is largely dependent on Soviet-designed reactors, has been badly shaken by the disaster by the disaster. In Warsaw, Mr Jerzy Urban,

all, they had been warned by their Soviet neighbours.

clear that the graphite moderator of the reactor was burning and that there had been a partial of total meltdown.

Mrs Birgitta Dahl, Swedish radiation levels.

# US offers medical and scientific assistance

THE UNITED STATES is ready humanitarian to offer the Soviet Union its advice and expertise to help White House officials accom-panying President Ronald panying President Ronald Reagan on his tour of the Pacific yesterday.

Mr Donald Regan, the White House Chief of Staff said: "We have a lot of experience in how we can handle these things, both medically and scientifi-

Nancy Duna adds from Island
Washington: The US yesterday to pr
formally expressed regret for one with accident and offered

Meanwhile the US advice and experies to have contact with Americans living cope with the aftermath of the contact with Americans living nuclear accident, according to or working in the affected area.

Nuclear industry officials aftempted to play down the dan-ger from fallout and worried about the future of US nuclear exports. Dr Frank von Hippel, a physicist and professor at Princeton, said he had been trying frantically to reach the Soviet Union with a suggestion that potassium iodide pills. re-maining from the US Five Mile Island accident, be distributed to protect the thyroids of any-one within 200 km of the acci-

# **Thatcher** says UK is in no danger

By Flora Thempson

BRITISH MPs were yesterday assured by the Prime Minister, Mrs Margaret Thatcher, that the disaster presented no danger to the UK. However, 100 British students were in the immediate area likely to be affected by the accident, 79 in Kiev and 30 in Minsk, the Foreign Office said.

The British Embassy in Moscow spoke to representatives of both groups of students yesterday afternoon, according to the British Council, which looks after students on cultural exchange programmes in the Soviet Union

All the students were well and there were no immediate plans for evacuation, said the Council's cultural attache in Moscow. No Western embassy in the capital had plans to evacuate personnel either, he

Mrs Thatcher told the Mrs Thatcher told the House of Commons that no increase in radioactivity in Britain had been detected by preliminary measurements. Intensive monitoring of radioactive levels was continuing. There were demands from MPs on all sides for a full report from the Soviet Union.

Mr Kenneth Baker, the Environment Secretary, said Britain had not been asked for help but "if we do get a request for assistance of a scientific nature it will be made available."

Mr Paul Johns, chairman of the Campaign for Nuclear Disarmament, warned that the disaster was the sort of accident that could happen at any nuclear power station in Britain. "May this tragedy be the final nail in the nuclear power coffin," he said.

### N-programme in France unaffected

THE ACCIDENT is unlikely to have any impact on France's ambitious nuclear power programme, which accounts for 65 per cent of the country's electricity pro-

A spokesman for Klectri-cite de France, which has more experience of nuclear plants than any international electricity utility, pointed out yesterday that safety pre-cautions at French nuclear plants were considerably greater than in the Soviet

actors. Although four older French plants are mederated with graphite like the Cher-nobyl reactor, this water-cooled reactor type is unique to the Soviet Union.

The EdF spokesman said that nuclear accidents "can never be excluded." But he pointed out that releases of radioactivity from the reactor core caused by breakdowns in the cooling system would. in the cooling system would, in French plants, be most likely confined within their protective concrete dome.

# David Buchan recalls lessons of the Three Mile Island accident

# When information sows confusion

THE LIMITED Soviet informaout of the reactor and into the industry officials. One character in the film had, as it hap undercooling." Eventually, one pened, illustrated the effect of belated Tass acknowledgement upper ends of the fuel rods a reactor core melitions by saythe NRC, came to dominate the pened in the film had, as it hap undercooling." Eventually, one pened, illustrated the effect of a reactor core melitions by saythe NRC, came to dominate the pened in the film had, as it hap undercooling." Eventually, one pened, illustrated the effect of a reactor core melitions by saythe NRC, came to dominate the pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling." Eventually, one pened in the film had, as it hap undercooling. The film had, as it hap undercooling in the film had, as it hap undercooling in the film had, as it hap undercooling. The film had, as it hap undercooling in the film had, as it hap undercoo belated Tass acknowledgement upper ends of the fuel rods a reactor core meltdown by sayof Scandinavian reports that were exposed to scorching ing it could devastate "an area
something nuclear had indeed steam, dissolved and scattered the size of Pennsylvania."
Confusion, because so many may be stirring justifiable the reactor. international criticism. But, as So much events seven years ago at Three Mile Island in the US showed, totally open publicity of a until the following Sunday an nuclear accident can sow extraordinary mixture of con-

The mistakes made by the operators of the plant in castern Pennsylvania happened in short and sharp sequence in the early hours of Wednesdry. March 29, 1979. Put simply, pumps to inject extra cooling water into the reactor were turned off or blocked, while valves let contaminated water by some of the jumpler nuclear functions and cynicism set contenences at nearby Middle-town were chaos. Journalists put questions in half-digested nuclear jargon and got technical answers which were the content of the content of the plant in passing in a very populist manner to nuclear accidents by the content of the content of the plant in a very populist manner to nuclear accidents by the content of the content of the very recent release of the China largely incomprehensible to them.

Cynicism, because at nearby Middle-town were chaos. Journalists put questions in half-digested nuclear jargon and got technical answers which were thaos. Journalists put questions in half-digested nuclear jargon and got technical answers which were thaos. Journalists put questions in half-digested nuclear jargon and got technical answers which were the pump and provide them.

Cynicism, because a public, senting in a very populist manner to nuclear accidents by the content of the more largely incomprehensible to them.

Cynicism, because of the China largely incomprehensible to them.

Cynicism, because of the content of them.

Cynicism, because of the content of them.

Cynicism, because a public, senting in answers which were the purposed in the providence of the content of the plant of the extreme confusion.

The prevailing north-west winds in the immediate after-

math of the accident may have tarried the radiation cloud away from Kiev, the republic's capital and biggest city of more than 2m people, 40 miles to the south of Chernobyl.

But in the longer term, areas

to the south may be at risk. Most of the rivers, notably the 748-mile Dnepr, drain into the

about 18 per cent of the total

Ukraine region vital

THE UKRAINE, in which the the heavily industrialised Chernobyl nuclear accident Donets Basin and the Dnepr low-occurred, is a densely-populated lands to the south and east.

industrial and agricultural region, accounting for about oneguarter of Soivet production of milk, which is highly vulnerable to radiation contamination.

The erpublic, second in economic importance only to the Russian Federated Republic, produces about 40 per cent of Soviet steel, a high percentage

The 51m Ukrainian's who are for wine-making and distilling, bout 18 per cent of the total but most of the vines and fruits

Soviet population, live at an are grown in the south around average density of 210 per the Crimea. Because the main

square mile.

Fortunately, the heaviest Odessa, the Ukraine refines 60

population concentrations are in per cent of Soviet sugar.

to Soviet economy

So much for the main facts established in cold, clear hind-sight. But from the Wednesday

of chemicals, machine tools and manufactured goods. These in-

clude Antonov military and civil aircarft at Kiev, tractors at

Kharkov, passenger bueses at Lvov, and about a quarter of

Food processing industries are among the most developed in the Soviet Union, and since 1984

have led the way in economic

management reforms.

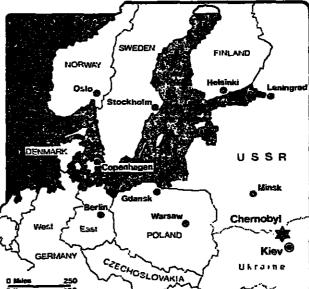
The Ukraine is also a centre

total Soviet grain.

different spokesmen—the plant operator, the plant owner, the US Nuclear Regulatory Com-mission (NRC), the Pennsylextraordinary mixture of conmany different things. Press fusion, panic and cynicism set conferences at nearly mixture.

proceedings. For a nation anxious for reassurance, the calm and collected Mr Denton became a folk-hero. Girls wore T-shirts saying "Harold Denton can fix my reactor any time."
In the end, though the accident was the most serious ever to hit the US nuclear industry.

# no one was directly hurt and there was no multdown. A few hundred local inhabitants dethe sports centre of the Her-shey chocolate company, which for a time was concerned about using local milk in its product. The long term consequences of the escape radiation may yet



Kiev, the nearest large con- tech centre, with such concerns nurbation to the nuclear acci- as the E. O. Paton Electric dent site, regularly attracts Welding Institute selling metaland lurgial and welding licences to tourists. It has become a high- many Western companies.

# **IAEA** willing to give help

By Patrick Blum in Vienna

THE International Atomic Energy Agency (IAEA) said vesterday it would be willing to provide assistance on request from the Soviet Union following this weekend's nuclear accident. The Vienna-based agency was informed on Monday night but the Chernobyl nuclear plant north of Kiev, a spokesman said. Information suggested it was a "very bad accident." It was likely to have caused "irreparable damage to the plant"

The IAEA was established in 1957 by the United Nations to help to promote the peaceful use of nuclear energy. It has no policing functions and provides advice and assistance only on request.

Although it can recommend safety procedures—it usually governments embarking on a nuclear programme to set up a regulatory authority—the choice of safety procedures is up to individual governments. Last year, the Soviet Union signed a safeguard agreement with the IAEA which allowed international inspection of some of its nuclear facilities for the

first time. The safeguard aims to ensure that nuclear materials and equipment intended for peaceful use are not diverted to military purposes. The agreement, however, does not cover

Moscow's decision followed similar moves by the US, Britain and France. Countries which have a nuclear military capacity are not bound to allow

IAEA inspection.

Britain has listed all its nuclear utilities for inspection. while the US and France permit Soviet Union has given a list of five



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# (Horizon Travel PLC and Subsidiary Companies)

SUMMARY of RESULTS

Jur une year engea 3	Oth November 1985	)
Group Turnover	1985 £135,691,303	1984 £151,943,715
Pre-lax Profit Profit after Taxation and Minority Interests	£14,463,597	£12,518,142
Dividends  Earnings per Ordinary Share	£9,501,885 £2,193,644	£8,240,904 £1,862,805
Dividends per Ordinary Share Shareholders' Funds	20.90p 4.40p	19.47p 4.40p
Net Assets per Ordinary Share	£62,161,553 <u>124.68</u> p	£44,378,266 <u>104.82</u> p

# COMMENTING ON THE RESULTS FOR THE YEAR, BRUCE TANNER, CHAIRMAN, SAID:

Group pre-tax profits of £14.46 million for the year included £13.6 million from the sale of two 737-200 aircraft but also bore the introductory costs of four new Boeing 737-300 "SQ" aircraft. The sale of the two aircraft was part of the planned fleet 18-equipment programme and enabled us to boost pre-tax profits to a record. Our aircraft fleet continues to be a superb investment.

The Company's balance sheet is the strongest in the sector and net asset value per share has increased by 19% to 124.68p.

The intense competition which characterised the market in 1985 shows no sign of easing

in 1986. Our marketing strategy has been tailored accordingly.

Volume in the past winter has exceeded previous records and load factor was 88% approximately. Summer prices have been reduced and sales volume has rebounded very sharply. Including Broadway and Holiday Club International programmes, we have already booked nearly 400,000 passengers and our capacity is three quarters full.

A new viewdata system has been installed giving improved computer access to travel

agents. The new system has been very well received and now accounts for about 75% of

Independent consumer surveys have again viewed Horizon Holidays very favourably among major operators. In a comprehensive survey by a leading consumer magazine, Orion Airways scored top position for leisure flying among all British charter and scheduled

Having recovered very strongly from the volume drop in 1985, Horizon will use its exceptional financial strength to increase volume and market share as a basis for 9 9 a full trading profit recovery.

# **Redfearn National Glass**





26 weeks ended 30 March 1986 \$900	26 weeks ended 31 March 1985 \$000	52 weeks ended 29 Sept 1985 5000
27,390	27,402	58,204
	•	•
344	(688)	1,081
		-,
306	(688)	1,026
412	~	1,669
718	(688)	2,695
5.16p 1.5p	(11.40p) nil	16.77p 2p
	30 March 1986 5000 27,390 344 306 412 718	### 2016   ### 2016

## Mr. John Pratt, Chairman, reports:

- \* A significant turnround in net profits.
- \* Interim dividend of 1.5p (1985: nil)
- \* The plastic division broadened its product range and widened its customer base.
- \* We are looking ahead to the company's further development in selected areas of packaging industry.

REDFEARN NATIONAL GLASS pic, Monk Bretton, P.O. Box 7, Barnsley, South Yorkshire, S71 2QG

### Superior Overseas Finance N.V. 14% Guaranteed Notes due 1989

Notice of Redemption

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4 (c) of the Fiscal Agency Agreement dated as of June 1, 1982 among Superior Overseas Finance N.V. (the "Company"), The Superior Oil Company (the "Guarantor"), and Citibank, N.A. (the "Fiscal Agent and Paying Agent"), the Company has elected to redeem the entire principal amount outstanding of the captioned Notes on June 1, 1986 (the "Redemption Date") at the redemption outstanding of the captured value of joint in the redemption of 101 1/2% of the principal amount thereof, together with accrued interest to the Redemption of 101 1/2% of the principal amount thereof, together with accrued interest to the Redemption

On the Redemption Date, the Notes shall become due and payable upon presentation and On the Redemption Date, the Notes shall become due and payable upon presentation and surrender thereof together with all unmatured coupons appertaining thereto (a) at the corporate trust office of Gifbank, N.A., 111 Wall Street, 5th Floor, Corporate Trust Services, New York, NY 10043, or (b) subject to any laws or regulations applicable to such payments in the country thereof at the main offices of Citibank, N.A. in Brussels, Frankfurt/Main, London, and at the main office of Caicorp Investment Bank (Switzerland) and Citicorp Investment Bank (Internbourg) S.A. The redemption price shall be made in such coin or currency of the United (Internbourg) S.A. The redemption price shall be legal tender for the payment of public and States of America as at the time of payment shall be legal tender for the payment of public and private debts and shall be made at the option of the holder at the offices referred to in (b) above by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in the City of New York.

Coupons due June 1, 1986 should be detached and collected in the usual manner.

On and after the Redemption Date, interest shall cease to accrue on the Notes.

Superior Overseas Finance N.V. By: CITIBANK, N.A., as Fiscal Agent and Paying Agent

April 30, 1986

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1985 unless the paying agent has the correct tax identification number (social security or employer identification number) of or an exemption certificate from the payee, it you surrender your Notes for payment in the United States, please furnish a properly completed Form W-9 or exemption certificate or equivalent.

# People **Express** adds frills to its flights

PEOPLE EXPRESS, the rapidly growing US airline which made its name by offering cheap no-frills flights, is now adding a few frills in a bid to stem mounting losses bid to stem mounting tosses after a savage airline price war which pitted cutprice carriers against the airline establishment.

The New Jersey-based carrier plans to offer a first class service on its regular demosities router.

domestic routes and a frequent-flyer incentive pro-gramme in a bid to win a share of the lucrative business travellers market. It is also planning to offer customers travelling first class free drinks. free luggage check-in and other perks.

While these additions do not sound revolutionary, they mark a significant change in the for People Fyness.

style for People Express which until recently prided itself on offering the same cheap fares across the board. Other airlines have gone in for complex advance booking programmes to attract customers, with the result that the same airline can often offer at least four differ-

ent fares on the same route. ent fares on the same route.

People Express, the fifth biggest US airline, had scorned this approach, but over the last few months it was being undercut hy other carriers worried about the inroads it was making into their respective markets. Lately, Express has offered still cheaper fares on some but not all of its flights

Mr David Sylvester, an airline analyst for Montgomery Securities, says that People Express's decision to add some frills to its service probably marks the end of an era when low-cost airlines seemed trunk airlines to adapt to their

# US economic index rises by 0.5%

# Economist Raul Bomb explodes near home

of US ambassador to Chile

BY MARY HELEN SPOONER IN SANTIAGO

the field of development took him to the top of two United Nations agencies, died yesterday near the Santiago residence of Mr Harry Barnes, the US ambassador to Chile, shattering at the age of 85. Reuter reports from Santiago. nearby windows but causing no A special adviser to the UN injuries. Secretary General and to President Raul Alfonsin in

general but that insufficient evidence had been found to

charge bim. Mr Rojas more re

centily stated that moral renewal would continue, and

that there were no "untouch

Mr Lopez Portido broke his

silence only last week. He was stung to reaction following fur-

ther allegations of corruption by, of all sources, Mr Jose

Simon Azcona, the president of neighbouring Honduras. In an

open letter to Excelsior, Mexico's leading newspaper, he

denounced the Honduran leader as being either "badly informed

said, he had put up with the fies and calumnies" of the US

press and catemnies" of the US press and, inside Mexico, pro-fessional slanderers and politi-cal enemies "and even profes-sional agents of destabilisa-

The main obstacle to check-

ing corruption and the abuse of

power in Mexico is that the dis-credit of the ruling Institutional

Revolutionary Party (PRI) regime, 57 years in power, has

come to a head at the same time that its political vitality has been sapped. The single main reason why the PRI has run out

of steam is that it has, over the past two decades, gradually been by-passed by the federal bureaucracy as the route to

From this weak position, the

regime is badly placed to move against the vested interests it

"For political discipline," he

able " figures,

or a liar."

THE US index of leading economic indicators rose a modest 0.5 per cent last month, reflecting what Commerce Department Secretary Mr Malcolm Baldrige described as hold output back in this soft of the biggest percentages gain on the biggest percentages gai

Department Secretary Mr Malcolm Baldrige described as "some soft spots in the economy."

The increase in the index, which is designed to predict economic activity in the months ahead, was welcomed by some private economists as evidence that growth will pick up later in the year. But others continue to worry that the initial adverse impact of falling oil spending on durable goods, will hold output back in this quarter.

One sector of the economy which seems to be responding nimers of the leading indicators underlines the continuing problems of the manufacturing sector. New orders for continue to worry that the initial sales of single family homes soared 27.4 per cent in March.

The major positive contributors

were rising stock prices and money supply.

Most economists feel that although the annual real rate of amough the annual real rate of growth of the economy in the first quarter picked up to 3.2 per cent in the first quarter, this overstated the underlying forward momentum.

Today, with the House ways and means committee in the midst of preparing trade legislation, the Commerce Department is due to report the merchandise trade data for

Oil price drop

# Change in UN finance proposed

UNITED NATIONS Secretary
General Mr Perez de Cuellar is to propose a change in UN financing which would greatly increase the contributions of Britain, France and China and reduce that of the US, and possibly of the Soviet Union.

Officials said Mr Perez de Cuellar ould discuss the proposals with Mrs Margaret Thatcher that the UN was facing the Security Council were duty bound to pay more than others that the UN was facing a financial crisis which threatened the viability of theorganisation.

He made no proposals in his address, but in response to correspondents' questions he indicated support for a US proposal and the US 25 per cent.

The five permanent members of the Security Council were duty bound to pay more than others that the UN was facing the Security Council were duty bound to pay more than others and the viability of theorganisation.

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The five permanent members of the Security Council were duty bound to pay more than others and the viability of theorganisation.

Their current assessments, based essentially on gross national product, for the Seson (£535m) regular UN budget are: China 0.79 per cent, Britain 4.86.

The five permanent members of the Security Council were duty bound to pay more than others and the Security Council were duty bound to pay more than others and the Security Council were duty bound to pay more than others and the Security Council were duty bound to pay more than others are financial crisis which threatened the viability of theorganisms and the Security Council were duty bound to pay more than others and the Security Council were duty bound to pay more than oth

sals with Mrs Margaret Thatcher during his schedule visit to London next month and with the Chinese leadership in Peking later this year. Mr Perez deCuellar told the

ARGENTINE economist Mr

Raul Prehisch, whose work in

Argentina, Mr Prebisch attended last week's annual

assembly of the UN Economic Commission for Latin America

(Ecla) in Mexico City.

He was one of the founders

Prebisch dies

sation.

He made no proposals in his address, but in response to correspondents' questions he indicated support for a US proposal that its assessed share of the UN budget be reduced from 25 Chellar offered indirect critical support to 20 proposal that its assessed share of the US 25 per cent.

In his remarks, Mr Perez de UN budget be reduced from 25 Chellar offered indirect critical support to 20 proposal that its assessed share of the US 25 per cent.

UN budget be reduced from 25 Cuellar offered indirect critiper cent to 20 per cent "or even cism of Washington, which has excerbated the financial crisis by delaying or cancelling privilege in this house," he said, payments of more than \$253m.

# 'will boost' US employment

AN estimated 500,000 people who would have settled in oil-producing states will migrate to other regions of the US because of the recent drop in oil prices, according to a report by Data Resources Inc (DRI).

However, the report cocludes that the overall impact of lower oil prices will boost US employ-ment and estimates that if the oil price was to stabilise at \$10 (26.45) per barrel for the next four years it would create 1.3m extra jobs in the US economy.

extra jobs in the US economy.

California will gain nearly
20,000 new jobs for every 51
drop in the price of a barrel of
oil, Michigan will add nearly
11,000 new jobs and New York
and Ohio will each add close
to 10,000 jobs, according to the
report, The Return to Cheap
Oil: Whose Gain, Whose Loss?,
published by the Massachusetts published by the Massachusetts economic research company owned by McGraw-Hill

"For the first time in two decades, both the 'frost belt' the two-day spate of terrorist attacks comes at a time of increasing political tension in Chile as trade unionists opposed to General Augusto Pinachet's regime prepare for Labour Day celebrations tomorrow and students and professional according to the authorities of the authorities of the authorities of the authorities. and the farm belt have a reason to be upbeat," says Mr Donald Wall, the chief economist of DRI's regional information ser-vice. "Lower oil prices are a boon to traditional smokestack industries and a relief on the cost side for beleaguered farmers," Mr Wall says.

# A BOMB exploded yesterday during a clash with armed leftwing guerrillas, Chilean police reported. The policeman was the third killed this year in

terrorist attacks. The two-day spate of terrorist

In a separate incident, four army officers were wounded when shots were fired from a passing car outside an apartment block used by military officers and their families.

NO 16—8/83 On Monday, a policeman was killed and two others injured sional organisations stage antigovernment protests.

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# Trial breathes life into moral renewal in Mexico

THE COMIC-BOOK version of one of the biggest publishing successes in Mexican history, "El Negro del Negro Durazo," has on its inside cover a diagram of a labyrinth. Across it a stern, bespectacled Mr Francisco Rojas, Mexico's comptroller-general, stares at Mr Arturo "El Negro" Durazo, Mexico City's former police

This month Mr Rojas and his colleagues finally got through the maze, winning a two-year long battle to get Mr Durazo extradited from the US. The former police chief is one of the prime exemplars of the multi-billion dollar corruptions that prevailed during the 1976-82 term of Mr Lopez Portillo, which was fuelled by the oil and credit boom of those years, and which his suc-cessor. President Miguel De La Madrid has pledged to eradicate,

The return of Mr Durazo to stand trial in Mexico, some officials argue, has breathed new life into the flagging "moral renewal" campaign which was the central plank of Mr De La Madrid's election platform.

Mr Durazo is the second close associate of the former president to be brought to book. Mr Jorge Diaz Serrano, the for-mer head of Pemex, the state oil monopoly, is still in jail awaiting trial for embezzle-

The Durazo case has revived the debate on corruption and accountability, and has turned up the spotlight on the extraordinary venality and vulgarity the Mexican political establish-ment fostered in its midst.

The supporting cast of characters in the Durazo drama inevitably features prominent members of this establishment. including Mr Lopez Portillo and his family; his predecessor, President Luis Echeverria; Mr Carlos Hank Gonzalez, the former mayor of Mexico City; and numerous former and current senior officials.

current senior officials.

Mr Durazo was a childhood friend of former presidents Echeverria and Lopez Portillo. The former gave him command of the airport police—with the contraband opportunities this afforded—while the latter promoted him from his personal seguitive chief to chief of police. security chief to chief of police, and eventually a full army

general.

But before Mr Durazo's promotion, both former presidents were informed by the US Drugs Enforcement Administration that a Miami grand jury had admitted five charges of cocaine trafficking against their friend. The appointment. friend. The appointment, nonetheless, went ahead, and Mr Durazo quickly slotted his cronies into the key and most lucrative positions in the police



od friend of former Mexico president Portillo

New York, estimated to have cost \$4m. The police chief's salary at the time was some \$17,000 a year.

The De La Madrid Govern-ment opened the complex to the public, giving it a brief vogue as a "museum of corruption." It also took over another monu-ment to the Lopez Portillo era, a glistening but empty multi-million dollar shopping mall which is now the headquarters of Mr Rojas' comptroller-general's office, the corruption watchdog.

David Gardner describes a big step forward in the de la Madrid Government's fight against

Few would deny that this offices's efforts have reduced offices's efforts have reduced corruption substantially. The post-1982 financial crisis has also helped. There is simply less cash available for what the old penal code quaintly described as "inexplicable enrichment."

corruption

The basic strategy has been to reduce the opportunities for graft and put in place the legal means to punish it. External and discretionary audits have been introduced, along with con-cepts like conflict of interest and nepotism.

trol and inspection company, Societe Generale de Surveil-lance, has been contracted to supervise public sector imports and exports. At a more sym-bolic level, Mr De La Madrid and his officials ostentatiously pay their income tax and register personal wealth each year. But the lynchpin of what one commentator this month called the "cleptocracy," was Mr Lopez Portillo.

force.

Mr Durazo even commissioned the building of a breathtaking imitation of the Parthenon at the Pacific resort village of Zihuatanejo, and a 20,000 acre complex of mansions outside Mexico City.

The latter exceeds in extravagance the four-mansion estate the Lopez Portillo family built itself, and includes a replica of the studio 54 discotheque in the four-mansion investigated by the attorney the thinning ranks of the main pro-Government union federation, the CTM which, since the crisis, has managed to deliver industrial peace and massive real wage cuts.

Though the Government took away the union's right to subcontract up to 40 per cent of state oil contracts in 1954, it has hacktracked ever since, persuading itself that confrontation would stop the vital oil flow.

has built up. It has backed off from the notoriously corrupt, boss-style leaderships of the teachers' and oil-workers' The Geneva-based trade con-The 800,000-strong teachers union, the largest in Latin

union, the largest in Latin America, provides the sort of geographical spread the PRI has lost. The oil workers' union is almost certainly the richest in Latin America and it plays an increasingly important role in the thinning ranks of the main pro-Government union federation, the CTM which, since the crisis, has managed to deliver

Banning of

journalists

mars start

By Our US Editor in Bali THE US PRESIDENT, Mr

Ronald Reagan, flew in to a muted welcome here last night, as the Indonesian Government barred three foreign correspondents—two Australians and an American—from covering his three-day visit.

three-day visit.

The two correspondents representing the Australian Broadcasting Corporation, Mr Richard Palfreyman and Mr Jim Middleton, arrived on the White House

press aircraft just minutes before Mr Reagan touched down in Air Force One, despite warn

ings that they would be refused entry.
The Indonesian authorities

The Indonesian authorities have reacted harshly against Australian journalists and cancelled a ministerial visit to Autralia, following a highly critical article in the Sydney Morning Herald earlier this month. It alleged that President Suharto, his relatives and business associates had enriched themselves through government contracts and favouritism—somewhat along the lines of the ousted Philippines regime of

ousted Philippines regime of President Ferdinand Marcos.
The two Australians were taken by Indonesian officials from the aircraft in a blaze of

from the aircraft in a blaze of US network television lights and told that they would be put on a flight to Tokyo. White House officials unsuccessfully argued that all the more than 200 journalists travelling with Mr Reagan should be admitted. The incident, already a couze celebre in Australia, was shown live on American morning TV news programmes, heightening the growing controversy in the US over Indonesian human rights deficienties and denials of press freedoms.

of press freedoms.
US officials, who were hoping

that the incident would not overshadow Mr Reagan's meeting with Mr Suharto here tomorrow, said that the Indonesian officials had carried out their tasks "firmly but correctly"

An American reporter, Ms Barbara Crossette of the New York Times, was also ordered out of Bali and put on an air-

craft to Jakarta. She too had earlier been warned that she would not be allowed to cover Mr Reagan's visit, for reasons

that were not explained, but had been led to believe that the ban had been lifted.

brief display of Balinese danc-ing. Outside, however, small crowds gathered in the dark along the route to his hotel. In Guam—a tiny 212-square-mile US Pacific outpost occupied

largely by the military—flower-bedecked Mr Reagan was

our sails for you," said Mr Eddy Rayes, the territory's Lt

rectly.

of visit

three-day visit.

# Australian citizenship question for TV chief

Mr Robert Holmes à Court, chairman of Bell Resources, has been told by the Australian Broadcasting Tribunal that his radio and television licences may be withdrawn unless he can show he is an Australian citizen. Reuter reports from Sydney. A foreign citizen; even a resident, is not allowed to a resident, is not allowed to own Australian commercial

roadcasting licences. The tribunal said that licence renewal hearings would be held in relation to four West Australian radio stations and Australian radio stations and that further hearings could be held over two television stations. The tribunal said it told Mr Holmes à Court in a telex message that "unless you are able to demonstrate that you are an Australian citizen, the tribunal may not be able to

renew these licences."

Mr Holmes à Court was reported in a recent newspaper interview as saying he was a British citizen. He was also reported to have said he was an Australian resident.

### **Emperor celebrates**

Emperor Hirohito of Japan yesterday celebrated the 60th yesterday celebrated the 60th anniversary of his reign with recollections of war and prayers for peace, AP reports from Tokyo. "Looking back... my heart is still pained when I recall the sacrifices by the people during the war and I am again moved by the preciousness of peace," he told the 6,000 people who attended a ceremony at a Tokyo arena. He also greeted a record 63,000 who flocked to the Imperial who flocked to the Imperial Palace to observe his 85th birthday.

Earlier, a man was seriously injured when a bomb exploded in a park where radicals planned a raily.

### US aid for Savimbi

Guerrilia leader Jonas Savimbi says US aid for rebels fighting Angola's Marxist Government has begun arriving and appears to be the start of a major to be the start of a major assistance programme, Reuter writes from Munhango in central Augola. He said that the Angolan Government, helped by Soviet and Cuban forces, was expected to launch a big offensive against his Unita movement next month. Asked if more US aid will follow, he said: "I think the commitment I got from the (Reagan) Administration is that this is the beginning, not that this is the beginning, not

### S. African violence

One man was killed, two injured, and a train and beer hall damaged in South Africa overnight, police told AP in burg. In Swaziland, all facing the death have had their commuted to life coronation of King Mswati, reports Reuter.

### China power cuts

China should reduce its oil exports because energy shortages were already leading to power cuts of up to three days a week in some areas, according to a report in the official news paper China Daily quoted by

the ban had been lifted.

Mr Reagan, who had earlier received an enthusiastic welcome from a predominantly US military crowd on a brief stopover in Guam, was greeted in Ball by an eerie silence. There were none of the usual crowds and bands at the airport, only a brief display of Ballinese dance. Reuter in Peking.
The newspaper said China should reduce exports because of low world prices and the need to generate domestic elec-tricity. It also called for a quick rise in electricity prices and the floating of shares by power supply organisations to raise money. The power shortage will worsen over the next five years, the paper said.

### Thai trade hopes

Falling oil prices and sharply lower interest rates could give Thailand a current account surplus this year, the National Economic and Social Develop-ment Board told Reuter in Bangkok. Officials said, however, that their optimism was based on the assumption that depressed prices for Thai tin and other commodity exports and other community Expense did not fell further. Thailand last year saw a 43.1bn baht (£1.08bn) current account deficit after a 49.5bn baht deficit in calendar 1984.

### REAGAN RECEIVES A SUBDUED WELCOME IN BALI

# Row looms between **US and Thailand**

BY REGINALD DALE, US EDITOR, IN BALL

US and its long-standing ally Thailand have suffered a severe blow with the implementation of an obscure piece of Washington legislation to help American

rice farmers.
The That grievances are likely to surface at the meeting of Asean foreign ministers here tomorrow at which President Ronald Reagan is to put in an appearance as he slowly makes his way to Tokyo for

makes his way to Tokyo for the western economic summit from May 4 to 6.

The measure, which Thailand maintains is undercutting its position as a leading rice exporter, has been described as a "betrayal" by Thai officials. It has provoked an emotional outery in Thailand, where opposition politicians are now questioning the wisdom of putting too much faith in the

questioning the wisdom of put-ting too much faith in the alliance with the US.

Thailand says that the liveli-hood of half of its population is at stake, with potentially serious implications for the country's political stability. Relations between Washing Relations between washing-ton and Bangkok have been further upset by Thailand's surprise action in the United Nations Security Council last week, when it voted in favour of a resolution condemning the US air strike against Libya, The Thai vote obliged the

RELATIONS BETWEEN the US, Britain and France to veto the resolution, which would have failed without Thai sup-While Bangkok has denied

that the vote had anything to do with the rice dispute, US officials suspect a connection. Washington had hoped that Thailand would at least abstain, and subsequently protested strongly at Bangkok's action.

The support measure for America's 30,000 rice farmers went through in the 1985 US Farm Bill, despite, administration opposition, and came into effect three weeks ago. It allows the farmers to horror form. the farmers to borrow from the Government against rice put in storage on extremely favourable terms, a scheme that Thailand regards as an unfair subsidy. The effect has been to lower

world rice prices and increase the competivity of US exports which have dropped to about 17 per cent of the world market from 25 per cent in 1981. Thailand's share is 40 per cent representing about 15 per cent of the country's foreign exchange earnings. Thailand's earnings fell by about \$100m last year because of lower rice

Mr Reagan promised in interview this week not implement the policy in "predatory" manner.

# **US** nuclear carrier to traverse **Suez Canal**

By Tony Walker in Cairo

Egypt, in a gesture that could further to tensions with neighbouring Libya, has given special permission for the nuclear powered American aircraft carrier. Enterprise, to pass through the Suez Canai, strengthen-ing the US task force in the

The US has three carriers in the Mediterranean with a strike force of more than 200 warplanes. The 76,000-ton Enterprise joins the Coral Sea and the America which were involved in action earlier this month against targets in Libya.

Egypt, which normaly forbids the passage of nuclear powered ships through the canal, gave special permission for the Enterprise to pass from the Indian Ocean to the Mediterranean along the 160 km waterway. The last nuclear powered ship to traverse the canal was the US-crollege Arkansai in November 180 km waterway. ber 1984.

Meanwhile, Egypt at the weekend revealed that it had rejected a secret Libyan demand for military assistance following the April 15 US raids on Tripoli and Benghazi.

# Conflicting aims muddle agenda for Arab summit

BY RICHARD JOHNS IN FEZ

ARAB FOREIGN ministers are scheduled this evening to try to draw up an agenda for an extraordinary summit here in response to Libya's call for a top level discussion of the US raids on Tripoli and Benghazi just over a fortnight ago. ghazi lust over a formight ago.
Reflecting the clear difficulties of obtaining any consensus
in advance, officials in Rabat
now say that anything
resembling a summit is unlikely
to take place now before Monday—a week after the date
originally announced by the
Moroccan Covernment Some Moroccan Government, Some diplomats there still doubt whether one will be convened at all.

at all.

A muddied situation typical of convoluted Arab divisions has been further confused by a statement by Mr Kamal Hassan al Mansour, Libyan Secreary General for Foreign Affairs, on Monday evening that any such meeting should be held in the aggrieved country itself — not in Tripoli or Benghazi but in a "village." He also suggested that Col Muammer Gadaffi would not necessarily attend one whatever

Western countries have not made sufficient progress in tackling international ter-rorism since the last summit of their leaders in Bonn Mr Helmut Kohl, Chancellor of West Germany said in New Delhi last night, John Elliott

reports.
"We shall have to discuss "he de these issues in Tokyo," he de-clared. Authorities had started to co-operate but they were being "too slow and not dynamic or stringent enough."
Arrangements for an extra-Arrangements for an extra-dition treaty between Ger-many and India, which wants to bring Sikh extremists liv-ing in Europe back for trial, are believed to have been drawn up during Mr Kohl's two-day visit to New Delhi which ended last night.

as the conservative member states of the Arab League have insisted. Syria has said that it will

Muammer Gadaffi would not necessarily attend one whatever the vehue.

The central issue, however, is whether an agenda is limited merely to a condemnation of the US — and possibly the UK as well for allowing the use of American bases in Britain — or broadened to include at Syria has said that it will participate in the summit but diplomatic reports from Damascus say that President that the Iraq-Iran war should not be discussed. That is also the view of Libya and South Yemen, which have also supported Iran in the conflict.

**SOTHEBY'S** 

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determined to limit the agenda to the single topic of the US

striké. complication Another risen with the demand by Mr Arisen with the demand by Mr
Yassir Arafat, chairman of the
Palestine Liberation Oragnisation, that reported bilateral
exchanges between Jordan and
Israel should also be on the
agenda. In addition Lebanon
wants Israel's continued control through proxy forces of an enclave on its southern bor-

der to be covered. Western diplomats here as Morocco will not want a top-level meeting to take place un-less there is a reasonable as-surance that condemnation of the US action is not too stri-

dent in tone.

He cannot risk, they say, any further deterioration in his rebadly strained by his accord with Col Gadaffi in August, 1984 on a "union" between Morocco and Libya. His main aim in concluding that hizarre agreement was to end Tripoli's support for Polisario in the dis-puted Western Sabara—an ob-The reaction of such states as Morocco, Saudi Arabia, Kuwait and Jordan to the American raid was inaudible or deafening

Fall in tourism, Page 6

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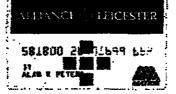
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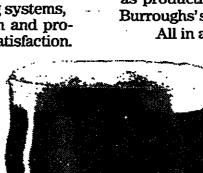
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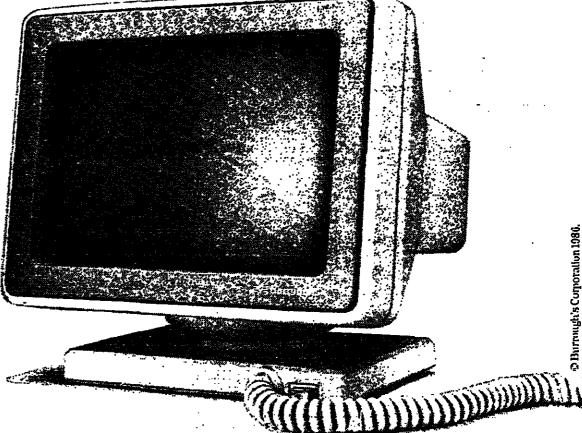
their daily work. Combining data processing applications with office automation solutions.

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system you choose for your business you'll have something in common with the companies shown here. Outstanding productivity. For more information call Brian Reynolds on 01-750 1420 or write to Burroughs Machines Limited. Heathrow Hse., Bath Rd., Hounslow, TW5 9QL

# flower-bedecked Mr Reagan was serenaded by what was desscribed as the smallest band in the US Navy under grey windswept skies. The island, just to the west of the international date line \$0.000 miles from Washington, is known in the US as the place "where America's day begins." For the first time on his 13-day Pacific trip, Mr Reagan received But the way they save it doesn't. Pacific trip, Mr Reagan received a favourable mention for his theme that "winds of freedom" are blowing around the world. "As ancient navigators of the Pacific we stand already to hoist our sails for you." said Mr



### Taiwan to boycott Asian **Development Bank meeting** BY SAMUEL SENOREN IN MANILA

board of governors of the Asian Development Bank which starts today in Manila to protest against the change of its name from Republic of China to Taipei, China.

A spokesman from the bank confirmed yesterday that Tai-wan, a founding member, was not going to the meeting which is attended by some 1,200 dele-gates and observers from 47 member countries.

On the other hand, China which became a member only last month was sending a full delegation led by the governor of the People's Bank of China, Mrs Chen Muhua who holds the rank of vice premier.

TAIWAN has decided to boycott dominant force in ADB after the 19th annual meeting of the US and Japan. the US and Japan.
The three-day meeting which will be opened by Philippine President Coraton Aquino will assess the impact of China's membership, as well as the intention of India to start bor rowing from the bank. India the fourth largest equity holder drew its first loan, of \$100m from ADB early this month.

There had been concern among less developing member among less that their access to
ADB funds would be restricted
if bigger members, such as
China and India, start to borrow

heavily. The meeting is also to assess the likely impact of a new lend-ing policy to take effect in July 1986 that would allow interest China, which along with rates on loans to float every Spain is attending the meeting six months, based on the for the first time, is expected average cost of borrowings plus to become the third most a spread for the bank.

Francis Ghiles explains why one ministry can expect to escape severe budget cuts

# Algeria pushes on with water projects

expect to escape the severe budget cuts which the sharp downturn in crude oil prices is forcing on the Government led by Mr Abdelhamid Brahimi. The Ministere de l'Hydrau-

lique has ambitious plans to expand the water industry. The original budget plan was for expenditure of Dinars 152bn (£6.9bn) over five years (1985-89). This is double the figure for 1980-84 but is likely to be trimmed.

The World Bank is supporting the three major projects. all of which have attracted bids from major international com-panies.

Between 1830, when France conquered Algiers, and 1970. six years after independence, 20 dams were built in the country. But none were built in the following decade, during which the late Houari Boumediene launched his ambitious industrialisation policies.

Expanding the water industry is central to the shift in economic and social policies governing farming and industry.

The farming policies of the 1980s and 1970s have been discarded. confiscated land for example is being returned to Partners, of the UK.

The project includes two dams, many pumping stations, the renovation of 4,000 km of urban piping and construction

MOUNTING Western restric-

tions on sales of electronic com-

ponents to Eastern Europe

could lead to a permanent gulf

between the two blocs, accord-

ing to Mr Jan Kolodziejczak,

managing director of Telkom

the future may become impos-

sible because we'll both go our separate ways," Mr Kolodzie-jczak said.

BY CHRISTOPHER BOBINSKI IN WARSAW

Peletra, Comecon's only pro-ducer of electronic telephone exchanges.

"Economic co-operation in mew equipment occause they might soon appear on the West's restricted list," he said. Suppliers from West Ger-many, the UK and France were

If you're planning to develop your business you

need look no further than Corby.

The National Assembly in Algiers is expected to agree to the 18 per cent cut in the 1986 budget submitted to it last week by the Minister of Finance M. Abdel Aziz Khellef, Francis Ghiles

Current expenditure would decline by 11 per cent to

as agriculture revives, the need for water increases. Ten dams have been com-missioned since 1980, and studies for 13 more completed. They should more than double the volume of water held by dams to 5.5bn cubic metres. Irrigation now offers farmers

800m cu metres of water and the authorities hope to double this figure by the mid-1990s, The largest dam project covers the "Grand Alger" area around the capital, where more than 5m people live. The initial study for this project was completed in 1983 by W. S. Atkins and Binney and

West warned on telecom curbs

tern suppliers.
"My designers are afraid to

put available Western parts into

afraid of US strictures should

they supply technology to the

He reported that his Poznan-based company was increasingly experiencing difficulties in pro-curing components from Wes-curing components from Wes-

Ast. French group with an opening Telkom's exchanges are built to the Comecon market,

Dinars 59.5bn (£8.6bn) while investments trimmed by 26 per cent to Dinars 45bn.

State taxes derived from oil and natural gas exports are expected to decline by 40 per cent to Dinars zyon — this sector accounts for 97

former owners or sold of and of the first stage of a new sewage collection and treatment

The project will cost Dinars 2.1bn, half of which will be incurred in foreign currency and covered by two 15-year World Bank loans worth \$290m and

\$82m respectively.
These funds have been lent for a 25-year period to recently set up water authorities which contrary to past practices, will be managed as commercial and financially self-supporting enter-

Water prices in Algeria, which were unchanged since 1982, have more than doubled over the past two years.

The overall contract for the project has gone to a group of Yugoslav companies known as Hydrotechnica and work has

who is a Communist Party cen-tral committee member and

actively supports Poland's de-

centralising economic reform. led a delegation to Alcatel for Poland's joint-venture law passed last week could provide

a vehicle for future co-operation

with Alcatel and provide the

Development areas:

nowhere else comes

within miles of Corby

per cent of Algeria's overseas

earnings. Last year's small budget surplus will this year turn into a deficit of Dinars 14bn. Other austerity measures include a 75 per cent cut in foreign currency allowances for Algerians travelling abroad.

The group is also helping with a training programme half of whose cost is being met by the World Bank. In addition a factory is being built which will produce cement tubes for the

The sewer project is expected to be completed next summer, The inhabitants of Algiers have had to manage with running water for only a few hours a day, often during the night. The 50-year-old piping was so coated with chalk deposits that the diameter had been reduced by four-fifths to only 30 milli-

The World Bank has also agreed to finance the foreign currency costs of two other major water projects to expand water in the metropolitan areas economic of Oran and Constantine, and many years.

granted. Unsatisfied demand for water represents 35 per cent of water production in Oran and 44 per cent in Constantine.

The projects will benefit 2.1m people, as well as many commercial and industrial develop-Oran, in particular, boasts an

increasing number of industries and its water supply has been severely hit by the growing requirements of the nearby oil and gas export base of Arzew.

The contract for the Oran project, whose foreign currency costs amount to \$173m, went last autumn to Dragados y Constructiones, the Spanish group which is sort active in Alexander which is very active in Algeria, Zehokke of Switzerland. The Constantine project is due to

be awarded soon. State loans are being ex-tended to farmers to enable them to sink wells, buy electric pumps, and build small earthware dams on the hillsides. But despite the efforts to improve the water industry its neglect in the two decades up to 1980 and the wasteful use of water resources by industry will continue to weigh on Algeria's economic development for

# **US steamship group ends** Pacific container run

BY ANDREW FISHER, SHIPPING CORRESPONDENT

LYKES BROTHERS Steamship of the US is ending its regular container service across the Pacific because of low freight rates and may sell the six snips rates at a cost of \$225m (£150m). northern Europe service. It will continue its non-container after the withdrawal from the service from the US Guif and west coast to the Far East.

The company's last container But rates have fallen sharply as a result of over-capacity.

Lykes, privately-owned, said carriers were losing money on the Pacific Lykes will switch the four container ships used on the Pacific route to its US Gulf-

Germany, comes as cargoes from
Asia to the US are rising again.
But rates have fallen sharply
as a result of over-capacity.

May 2.

Development Areas

as defined by

# Commission seeks to stem fall in tourism

By Quentin Peel in Brussels THE European Commission has

caled for an emergency meet-ing of EEC Ministers of Tourism to discuss ways of com-batting the fall in US visitors following the recent increase in concern over terrorism.

The decline in bookings and cancelled reservations has hit all the EEC member-states, par-ticularly Mediterranean countries such as Italy and Greece, according to Commission offi-

Apart from the effect of terrorist incidents, and the latest conflict between the US and Libya, the fall in the value of the dollar has been a major contributing factor.

Mr Jacques Delors, the Com-mision President, and Mr Carlo Ripa di Meana, the Commis-sioner responsible for tourism. suggest that some form of joint information campaign might be launched to counter terrorist fear in the US.

Officials in Brussels say they also need to get more accurate figures for the extent of the loss in trade in the current

At the end of January, Mr Ripa di Meana said there had been a 30 per cent drop in US visitors to Greece in the second half of 1985, a loss of more than \$100m (£56m) following an attack at Athens airport. He said Italian operators were expecting a 50 per cent drop following the airport attack in Rome in December.

The call for the meeting was made in a letter delivered yesterday to Mr Hans van den Broek, the Dutch Foreign Minister and current chairman EEC

### **EEC** calls for subsidised credits check

By Christian Tyler, Trade Editor THE EEC has asked member-states to explain their use of subsidised export credits following a complaint that the UK had undermined an EEC agreement to phase out such subsidies for intra-Community trade.

After 1978, when the EEC agreement was made, Britain and others continued to subsidise export finance on goods routed back into the Community via a non-EEC member such as

But according to the ECGD and the Department of Trade and Industry, Britain at least stopped this practice of "dogledging" at the end of 1983. A reply to an EEC letter of inquiry several weeks ago has been made.

Mr Alan Clark, Minister of Trade, said in a parliamentary written answer on Friday that Britain no longer suported fixed-rate export finance where it was known that the final destination of the goods was another EEC Britain stopped supporting "dogleg" deals around the time of an important change on

the gentleman's agreement on subsidised export finance opera-ted by the 24 OECD countries. The Brussels inquiry and questions in the British Parliament appear to have been trig-gered off by complaints from a company called Ultraleisure, which in 1981 secured an export loan at 8.5 per cent for a paper subsidary it set up in Switzer-land to do business in Denmark.

# 'Time is running out' in US-EEC farm trade row

the background of a warning, delivered yesterday in a satel-lite interview from Mr. Richard Lyng, the US Secretary of Agriculture, that time is running

On July 1, the Reagan Administration plant to time the first step towards the restriction of EEC sales unless compensation can be agreed for what the US sees as lost trade throtigh the EEC sales unless compensation.

can be agreed for what the US

agreed for what the US

The US has threatened restrictions after May. 1 because switch by Spain to new levy system on corn and sorghum.

"I'm hopeful but there is some per cent of its grain market is very little time. There is some being reserved to Community question whether the tails can sapplier. question whether the talks can be completed by July 1," Mr

EFFORTS to bridge the farm lists already drawn up trade rift between the European Community and the US that it is ready to grant commove into a new phase in Friday with the start of talks at the General Agreement on and Portugal joining the Ten and Trades.

But the talks start against basis But the US wants them the background of a warning. While the Community causes that it is ready to grant compensation to its trading partners for any advantages lost by Spain and Portugal folding the Ten, it wants all talks on a global basis. But the US wants them done sector-by-sector.

Mr Lyng said the US would loss Ethic (8666m) of farm trade.

trade.
Although the effects of Spain

joining remain the subject of sharp contention, it is now clear that questions arising from Portugal's membership can be resolved.

the completed by July 1," Mr
Lyng said.

Both sides are claiming at this point," Mr Lyng said, justice is on their side in the the US will arrange its shape of adherence to Gatt quotas so Community trade is rules. So any many hy the US shape of adherence to Gant quotas so Community trade is rules. So any move by the US not affected. "I suppose you will prompt retailation by the could call it symbolic," he community. Both sides have added.

# Bonn to boost India aid

BY JOHN ELLIOTT IN NEW DELHI

WEST GERMANY intends to all sid budget.

West Germany intends to all sid budget.

During Mr Kohl's visit, memoranda of understanding India, Mr Helmut Köhl the were signed on co-operation in New Delhi yesterday.

The funds would partly be enmarked for contracts placed in West Germany for electric high and the Soviet Union power and fertiliser plants and yesterday signed agreements in water installations.

In recent years, West Germany has maintained a constant level of annual aid for India and motor components, themilevel of annual aid for India while cutting back on its over-



# **Western Areas Gold** Mining Company Limited

(Incorporated to the Republic of South Africa)

Company Announcement

De-watering of the Genishekiontein dolomitic groundwater compartment

Exhaustive tests of alternative methods of reducing the very considerable inflow of water into the North Shaft area of the company's mine have indicated that the only proched solution is to de-water the Gernsboldbutchi Compariment. The artmunt of the water has now been formally approved end a permit has Receipt of the permit fulfils the final requirement for the

company's admission to the For West Rand Delomitic Water Association, and all negatiations relating to properties affected by the de-watering programme will be undertaken by that Association. Preparations have been completed and final measures are being taken to meet the requirements of the various authorities responsible for public works and services in the area.

Initial estimates indicate that the cupital cost of the de-walching operation, mainly relating to acquisition of properties, will be some R80 million, spread over five years. The operation is likely to commence in June 1986. Initial benefits of the operation will be realised towards the second half of 1988, when ore reserves at present innecessible due to their proximity to the overlying dolonties will become available. It is expected that continued de-watering will aid some ten to twelve years to the life of the North Shan area of the raine.

Johannerburg 29 April 1986

Notice of Redemption

to the Holders of U.S.\$75,000,000

(Incorporated with limited liability in The Republic of France)

63/4% Convertible Bonds Due 2000 convertible into ordinary shares of BSN

BSN hereby gives notice that it will redeem all of its 64% Convertible Bonds Due 2000 convertible into ordinary shares of BSN (the "Securities") on May 30, 1986 (the "Redemption Date") at a price of 106% of the principal amount thereof (the "Redemption Price"). On the Redemption Date, upon presentation of the Securities together with all coupons maturing thereafter, the Redemption Price will become due and payable upon all such Securities together with interest accrued thereon from January 2, 1986 to the Redemption Date in the amount of U.S.\$27.75 for each U.S.\$1,000 principal amount of Securities. Interest shall cease to accrue on and after the Redemption Date.

each U.S.\$1,000 principal amount of Securities, Interest shall cease to accrue on and after the Redemption Date.

The rate at which ordinary shares of the Company (the "Shares") will be issued is 3.30 Shares for each U.S.\$1,000 principal amount of Securities. The right to convert the principal amount of the Securities will terminate at the close of business on May 30, 1986, however at the option of Bondholders, the Securities may be converted into Shares up to and including the date which is three months after the Redemption Date, therefore the final Redemption Date will be August 29, 1986 (the "Final Redemption Date"). No additional interest will be paid on the Securities for the period from the Redemption Date to the Final Redemption Date, or part thereof. Securities into the surrendered for conversion of redemption at the Conversion and Paying Agents shown on the Securities.

The redemption is pursuant to the eighth paragraph of the reverse of the forms of Securities which provides that the Securities may be redecited on or after January 3, 1986 provided the awerage opening price per Share on the Paris Stock Exchange for the 30 consecutive business days in France commencing 45 such business days prior to the day upon which the notice of redemption is first published is at least 130 per cent. of the Conversion Price (being the principal amount of U.S. \$1,000, translated into French francs at the buying rate for United States dollars against French francs on the last Paris Stock Exchange business days in such period of 30 consecutive business days as officially published, divided by the Conversion Rate) in effect on such day. The preceding condition has occurred. The market price for BSN Gervais Shares on April 29, 1986 was French francs 3,970 per State. On April 29, 1986 the number of Bonds outstanding was US\$55,132,000.

April 30, 1986, London

Corby is a **Development Area** so your business The Department of Trade and Industry gets the help of Development Area benefits. For to take effect from 29.11.84 most companies this means the better deal for them of either 15% grants on plant, machinery and equipment or £3000 per job created. There is also selective assistance for some job creating Corby is also a Steel Opportunity Area, and this means even more incentives. Corby is **England's first Enterprise Zone.** There are factories off the peg, from 500 sq.ft. to 50,000 sq.ft., some of which are rates free until 1991. You can also choose from offices, warehouses, and high tech buildings. Corby has **EEC aid for small businesses.** £1m is now available to aid efficiency. Above all, Corby is right in the heart of England. Within 80 miles of London. 50 miles from Birmingham. Strategically placed for any business that needs fast, inexpensive, easy access to the big South East and Midland population centres. However far you look, you will find that, as a total package for the success of your business, nowhere else comes within miles of Corby. For more information, send to Ray Jackson, Name: ..... Director of Industry, Corby Industrial Development Centre, Douglas House, Queens Square, Corby, Northamptonshire Telephone Corby (0536) 62571 Telex 341543 . Prestel. Key \* 20079 #

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ay Liga

Peter Marsh on a range of new temperature-sensitive materials

# Making a display when heat is on

WOULD you wear a tee-shirt sions of older types of photo-which, initially blank, displays chromic materials which have the message "I am the been available for some years. the message "I am the greatest" when you enter a

People with such leanings

records self-exhibitionism are being targeted by BDH, a chemicals company which has developed a new class of materials that change colour when exposed to heat.

BDH, of Poole, Dorset, shot to prominence in the mid-1970s by selling a novel type of liquid crystal display for calculators. With annual sales of about £60m, the company is supplying its new heat-sensitive formulations to an unnamed maker of printing inks. named maker of printing inks in Japan. The chemicals will be mixed into inks used to inscribe hidden messages on shirts.

Shirts.

Other products which couldfollow from application of these so-called photochromic chemicals—devised by BDH as part of extensive work into new materials—include paints which change colour as the temperature changes. BDH's simple ways to measure temperature changes. innovative chemicals are based on mixtures of phneyl benzoate materials could be worth £10m esters and are improved ver- a year to BDH within a few

BDR hopes its photochromic products could be as big a success as the biphenyl-based liquid-crystals it came up with in the mid-1970s, That work arose initially from research at the Defence

Ministry's Royal Signals and Radar Establishment (RSRE) magar assumment (MSRS) into novel crystals, used for instance in instance optics and in electronic materials. BDH has worked jointly on new materials with the Malvern-based establishment

mayern-based establishment since 1961.

BDH's biphenyl liquid crystals (the patents for which are owned by the defence ministry) are bar / lon compounds the optical proper-ties of which are changed by pulses of electric current. Small cells built from the crystals can be triggered by electric current to build up a

pattern of light and dark areas on a display. In the late 1970s, the Poole company accounted for about 60 per cent of the world

been available for some years. Photochromic paints could

coat the walls of discotheques or other buildings used for entertainment. When someone puts his or her hand against

The Poole company is owned by E. Merck, the West German chemicals company (not to be confused with Merck, Sharp and Dohme, a US - owned chemicals concern).

According to BDH, the company of the company

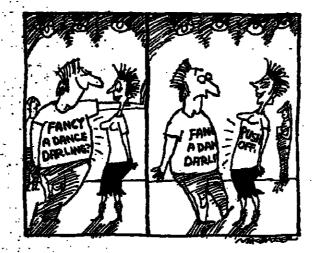
and in scientific and medical instruments which require simple ways to measure tem-perature. Sales of photochromic

# SHARPER IMAGE FOR LIQUID-CRYSTALS IS ON THE WAY

market in liquid crystals, a figure new reduced to roughly 25 per cent. Hoffman La-Rouche in Switzerland and BDH's parent company is Germany are among the other major suppliers.

Although total world sales of liquid crystals are worth no more than about filen a year, sales of display-based products which use the crystals add up to an industry 30 times bigger. The products include watches, calculators and displays for car dashand displays for car dash

which use figuid crystals are in the Far East. The main in the Far East. The main customers for BDH's liquid crystals include Sharp, Selko and Hitachi of Japan, Varitrozies of Hong Kong and PCI and Vikay of Singapore. BDH. is now working with the RSRE, Hull University and STC, the telecommunications compared an area of the supports on present the supports of the support of the supports of the support of tions company, on research to produce liquid-crystal displays



years, says Dr Michael Parsley, mixtures of up to 10 different a marketing manager at the chemicals, can indicate temperacompany.

which have been available for the past 15 years as by-products in standard chemical processes, are not in themselves new. But Dr Parsiey says that BDH's materials are more sensitive and stable than the established type of photochromic chemicals, which are based on cholesteryl esters.

As a result, the phenyl ben-zoate esters could become accepted in a range of mature

for standard-sized TV sets.

This work uses special liquid crystals which switch on and off very rapidly, so matching the rate at which successive frames of a TV

The crystals are called smectic materials, the mole-cules of which are arranged

in parallel planes. They are to be distinguished from the nematic (randomly distri-buted) crystals used in con-ventional liquid crystal dis-

On application of a current,

smectic crystals switch from light to dark and back again

much more rapidly, in micro-seconds rather than mill-seconds, than the nematic form which work too slowly

to be useful in large-area displays where a sharp image

is required.

In other work in specialist chemicals, BDH is supplying Cornell University in New

York with 13 tonnes of theilium doped caesium

ture to within 0.5°C. Depending on the mixture, the substances can be made to change colour (say from red to blue) at virtually any temperature from -30°C to 120°C. The chemicals are sold as

microspheres, tiny balls of gelatio the size of dust particles with the photochromic sub stance, a liquid, packed inside The microspheres are later mixed with other substances to form, say, an ink pigment.

The molecules in photo accepted in a range of mature industries such as paints and printing. Applications of the older type of photochromic product have been limited, in contrast, mainly to low-value "gim-mick" products, such as novelty thermometers.

The molecules in photochromic materials are arranged the coils of a spring. As the coils of a spring are arranged to colled, the "coils" unwind or close up, altering the wavelength of the light of the length of the large and the college of the large area. The Poole company's photo-chromic products, which are colour.

iodide, worth about £5m. The material, produced in the form of rods the shape of large candles, is used for detecting atomic particles in nuclear-physics experiments. Mr Rex Symons, BDH's managing director, says that work on nevel chemicals account for "a small part of our turnover but a large share of our research and development." The lion's share of BDH's activities is in making and distributing several thousand types of standard analyticals contribute form sulphyric seid anything from sulphuric acid to highly complex organic compounds. These products are shipped to laboratories all over the world.

Research into the novel substances is important in keeping the company in the forefront of technical advances, according to Mr. Symons, and it also pays of from time to time in produc-ing highly profitable products such as liquid crystals.

# Australia plans overseas optical fibre connection

cable networks are to link Australia and New Zealand with North America and Asia in a plan recently announced in Sydney that could involve expenditure of A\$2bn.

The first phase of the pro-ject is a joint venture, by

Australia's Overseas Tele-communications Commission and the New Zealand Post Office, in which the two coun-tries will be linked by 57,000 digital telephone channels or their data equivalent. The existing copper cable has a capacity of 2,800 channels which is now almost full.

This second, 2,500-mile link

across the Tasman Sca will eventually extend across the Pacific and will be the largest facinc and will be the largest fibre optic submarine project planned so far. Tenders for cable and repeaters for Tas-man Two will be requested later this year.

The first extension is likely to be laid north from New Zealand to Hawaii by the mid-1990s, to link up with a planned US-Japan cable.

RESEARCH ASSISTANCE for small- to medium-sized companies in the automotiverelated industries is to be offered by the Motor Industry Research Association (MIRA) under an arrangement with the Department of Trade and Industry. There are two stages of

assistance. Initially, MIRA will arrange a free two-day will arrange a free two-day consultancy study at an appro-priate " centre of expertise" to explore viability. If the pro-posal appears exploitable and " re-inventing the wheel," further project assistance will be forthcoming. MIRA is in Nuneaton, War-wickshire, on 0203 348541.

**POWERFUL CONTROLLERS** for manufacturing cells in automated plants are being effered by Gould Electronics (9256 460466).

(9256 460466). These use a number of microprocessors to combine the many functions of the conventional programmable controller with the speed and performance of a minicomputer. The devices are compatible with General Motors' manufacturing automation manufacturing automation protocol (MAP), version 2.1. They can be used in factory automation applications requiring real-time monitoring and control of flexible manufacturing sytems.



PIE FILLING and similar processes in the food indus-try can be carried out with significant savings in materials using electronically controlled hydraulic delivery systems from Sacol Powerline of Southampton, UK (0703

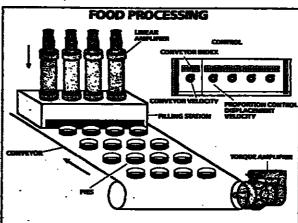
of Southampton, UK (0703
860101).

The "oily, greasy" image
of hydraulics is fast vanishing with the new "clean"
systems that have finely
measured control of movement readily altered by
microprocessor and computer control. Sacol claims
that £10m wasted in overportioning of expensive food

lished under the Alvey proname under the Alvey pro-gramme to investigate the interconnection and inter-working of LAN-based office systems to allow voice, text, graphics, data and video to be exchanged by terminal

The collaborators are Acorn Computers, Logica, Cam-bridge University, Lough-borough University and the Government's Rutherford Appleton Laboratory,

Much of the work is aimed at extending the integrated services digital network (ISDN, the European telephone authorities' next generation phone/data net-work), into office LANs. The collaborators are already running two megabit per second links between them-selves.



ingredients could be saved in the UK industry alone.

The system uses a linear

amplifier to convert power from a low power stepper motor into a high force linear motion. This gives precise control over velocity, position, acceleration and retardation of the portion dispacement piston that "squirts" the fillings into the ples Elec-tronic control added to the power source gives instant push-button control of portioning, to fine tolerances. LAN CHIPS, dedicated

communications integrated circuits for the Cambridge Fast Ring local area network (LAN), have passed preliminary tests in prototype form.
This is a recent outcome of

PROCESS CONTROL system P4000, the 1978 "distributed intelligence" product from Kent Process Control, Luton, UK, has been updated and re-launched to take advantage of the latest "chip," communications, computing and display techniques.

Aimed at the oil, petro-chemical, food, brewing and other continuous process industries, the system can monitor and control up to 4.000 complex plant items via 32 independent process and management microprocessors spread over distances up to

An outcome of the use of modern electronics and quality software has been to lower the minimum cost of a system to £60,000,



# A simpler fire-proof solution

FIRE PROOFING coatings applied easily using a spray and aimed at both onshore and offshore industries have been put on the market by Hempel's Marine Paints of London (01-404 0866).

Known as Contra-Flam 3810, this cementitious fibre material will protect struc-tural steel against weakening in the intense heat of hydrocarbon fires and remain intact during explosions. It has all the official certificates and approvals needed for the UK and Norwegian markets. The material is claimed to be 25 per cent lighter than comparable materials and can be applied to full thickness, without the need for costly and corresion-prone retention meshes.

FREIGHTING INFORMA-TION is now available to anyone with a Prestel adaptor to a TV set or a computer with appropriate modem and communications

The service, called Routel, means that UK exporters and distribution managers no longer have to thumb through pages of data in different trade directories but can instead bring up the information they want fairly quickly on the screen.

Publishers Maclean Hunter (01-434 2233) are offering the system, which presents a "best match" search facility for exporters and importers looking for transportation services.

RETAIL SYSTEMS worth £200,000 from ICL are going into the new Heathrow terminal four. Allders Internationa', appointed to run the duty-free shops, will be able to offer customers such facilities as automatic currency conversion updated daily with current rates, price look-up and automatic cheque endorsing.

# I Marie and the sand armed & Both State of the Dennaceting of the feetiglied object;

# BUT ONLY ONE OF YOU.



Each year, Iberia's fleet spreads its wings to carry over 13 million passengers throughout the world. To 22 European cities, 16 Middle Eastern and African cities, 27 cities throughout North and South America, and 1 in the Far East.

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AEAN NOTHING IF AN AIRLINE FORGETS

# **UK NEWS**

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Swiss Bank Corporation International Limited

Application has been made to the Council of The Stock Exchange in London for Notes in the denomination of A\$1,000 constituting the above issue to be admitted to the Official List. Interest is payable annually in arrear on 12th May in each year, the first such payment being made

Particulars of the Notes and the Issuer are available in the Extel Statistical Service. Copies of the listing particulars relating to the Notes may be obtained during normal business hours up to and including 2nd May, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 15th May, 1986 from:-

> Orion Royal Bank Limited, l London Wall, London EC2Y 5JX

Rowe & Pitman Ltd., 1 Finsbury Avenue, London EC2M 2PA

# **Austin Rover forecasts** higher European sales

than £2m extra in tariffs on exports to Spain as part of expectations that its European sales this year

will increase by nearly 30 per cent, from just over 89,000 to 115,000.

BL's volume cars subsidiary could sell 40,000 cars a year in Spain and 10,000 a year in Portugal were it not for tariff and quota restrictions, according to Mr Jacques Muller, managing director of Austin Rover Iberica.

Despite the import constraints imposed by Spain under the terms of its accession to the EEC, Austin Rover will sell "at least 9,000" cars in Spain this year Mr Muller said. It would also sell at least 6,580 un-

its in Portugal Last year, Austin Rover's Spanish sales totalled 4,300 units, while those in Portugal reached 5,500 units.

nents for Spain's EEC entry Austin

payment of a 17 per cent tariff. Aus-tin Rover's share for the current motor trade.

per cent.
Sales will have reached 2,400 by greater than that of the UK.
the end of this month, Mr Muller and it was now accepted said. Austin-Rover's 40 Spanish dealers would be able to sell ments could not be changed. But 9,000-10,000 cars, although they have price premiums of ments of the transitional tariff arrangements could not be changed. But Austin Rover would light, in negotiate the country of the co

in Spain.

Meanwhile, Austin Rover has set Ford, General Motors, Penigeot a target of increasing its West Genand Renault are among Europe's man dealer network from 200 to 250 volume producers who have Span cuttlets this year, in the belief that ish plants, and can therefore large-feasible. ly escape the tariffs. Volkswagen/ Audi recently acquired Seat, the Spanish volume cars producer.

AUSTIN ROVER is strengthening Rover had a 15 per cent share of a tits dealer network in West Ger Community import quota to Spain Rover waged a vocalierous many and preparing to pay more by which cars are allowed entry on campaign to highlight what it saw

Above this, imports are subject to the early 1976s to protect its thena tariff of 33.4 per cent. Spanishbuilt cars, including the Vauxhall
Nova, enter the UK on a tariff of 3.4

feasible. Austin Rover is also forecasting 31 per cent sales increase in France

have price premiums of up to 20 per tlations due later this year, for a cent above those of other manufacturers who have production bases ta for Spain's EDE partners, in Spain.

Meanwhile, Austin Rover has set

# Union opposes wages restraint

THE CONFERENCE of the 220,000strong manufacturing union, Tess, yesterday voted for a resolution opposing incomes policy and wage incomes policy. Particularly the posing incomes policy and wage incomes policy and wage incomes policy incomes policy. THE CONFERENCE of the 220,000- crease the chances of Labour win-

The resolution was passed unanimously, indicating the difficulties facing the Labour Party's leaders in convincing left-led unions like Tass to agree to an economic strategy which incorporates wage con-

Statements by some prominent union and Labour Party leaders have recently suggested the need for workers to exercise voluntary self-discipline over pay rises in or-der to boost employment and in-

posing incomes policy and wage number of the Tass executive pro-restraint. union can do one thing to help win the next election, it's to tell the La-

bour Party no incomes policy.

Mr Clay said increased wages created demand and therefore jobs. Wage restraint would lead to extraprofits which would probably be inabroad rather than in

The experience of past incomes policies showed that organised workers would not operate such a policy, despite what some union leaders were saying now.

their differentials under a pay

Instead the union supported greater planning of the economy under a Labour Government. "But if you can't plan society, don't plan incomes. It will lead to disaster," Mr Clay said.

The shop workers union US-DAW yesterday championed the need for a pact between Labour and the unions which would include wage restraint as part of an agreed package of echilonic planning.

# Goldcrest's **Chariots of** Fire 'myth' overturned

THERE is a special place in the mythology of the British film indus-try for Charlots of Fire, the story of the plucky British Olympic runners, and Goldcrest, the runners, and Goldcrest, the placky little British independent film company.

The British are coming," said Mr Colin Welland, the scriptwriter, as he held up an Oscar at the ceremony in Los Angeles.

For Allied Stars, the film prod tion company of the al-Fayed brothers, owners of Harrods, department store in London, it has all got a hit much. The company his taken out advertisements to tell the world that, contrary to public perception, they invested Sin in the film, and co-produced it with Twentleth Century Fox.

Goldcrest put up "seed money" to-talling £17,600. But because the film was produced by Mr David Puttnam, a producer associated with Goldcrest, everyone as-sumes Chariots of Fire was a Goldcrest production.

"People honestly believe Goldcrest

People honestly believe Goldcrest produced Charlots of Fire," says Mr. Jack Wiener, president of Allied Stars. This is not a vendetta, but we would like a little recognition now and again for our 50 per tent backing of a picture called Charlots of Fire."

Mr Jake Eberts, chief executive of Goldcrest, confirmed that the total Goldcrest investment in the film had amounted to £17,000 to decelop the script. The company received that money plus interest and a fee - totalling (25,000 - before filming began.

So far, Goldcrest has received ch25,000 return on its invest-

ment, and his figure is likely to Tise to £900,000.

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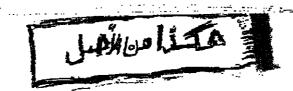
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# Coal Board reports best results for seven years

THE NATIONAL Coal Board has der the Name "British Coal" rather duce tariffs in the wake of the cuts since the end of the year-long miners' strike with a loss of £50m, its best financial performance for se-

its loss compared with £875m in 1983-1984, the last full year before the strike, which ended in march 1985 and was £300m better than the board had forecast at the start of

the financial year.

The board had expected to need £929m for its cash flow from the Exchequer in 1985-1986. But only £430m was needed.

Mr Ian MacGregor, announcing the preliminary results for 1985/1988, also warned that this progress might not be repeated in 1986-1987 because of the impact in coal prices of cheaper oil

Murdoch delays

Mr MacGregor, whose three year chairmanship ends in August, said in future the NCB would trade in-

deadline in

print dispute

By Our Labour Editor

ended its first full financial year than the name used since the industry was nationalised after the Second World War. But there is no intention to scrap the industry's legal title for the foreseeable future.

In a parliamentary written answer yesterday, Mr Peter Walk-er, the Energy Secretary, noted that the full support given to the NCB in the past financial year had been more than £1.4bn

This had comprised nearly £700m in deficit grants; £212m in social grants; and £564m to finance the NCB's heavy redundancy proheavy redundancy pro-But Whitehall officials did not

dessent from the figures presented by Mr MacGregor and agreed with his interpretation of them.

The NCB has conceded it will have to cut prices to the electricity industry, its biggest customer, which is itself under pressure to re-

But Mr MacGregor said the board was "still determined to succeed" in meeting the 1987/1988 break-even target set it by the Gov-

Negotiations yesterday at the Central Electricity Generating Board (CEGB) involved an offer by the coal industry for a five-year supply agreement, which would in-clude a steadily increasing tranche of coal aligned to cheaper foreign-

The electricity industry believes its hand has been strengthened by contributes in Parliament three weeks ago by Mrs Margaret Thatcher, the Prime Minister, that electricity users should benefit from cheaper fuel prices.

men and matters, Page 14

# Stock Exchange and Isro near agreement

MR Rupert Murdoch's News International yesterday extended the deadline for the print unions to accept its printing plant and compensation offer to end its newspaper dispute. The move follows pres from leaders of the EETPÛ electri-

Mr Bruce Matthews, NI's managing director, met Mr Eric Ham-mond, EETPU general secretary, on Monday. EETPU members form the majority of NI's workforce at its Wapping printing plant in east

The dispute with the print unions was caused when NI dismissed 5,500 workers for going on strike over the move to Wapping. NI is the publisher of the Sun, News of the World, The Times and The Sunday

In a letter to Mr Hammond yesterday, Mr Matthews said he had contacted Mr Murdoch after Monday's meeting and he had agreed to

extend the deadline. Print unions now have until May 30, rather than May 7, to respond to the company's offer of its old Gray's Inn Road plant, plus £15m in comBY BARRY RILEY, FINANCIAL EDITOR

THE STOCK EXCHANGE and the the minimum practical number of International Securities Regulatory
Organisation (Isro) are close to re
Last year se

The proposals, drawn up after talks between the two bodies, will be debated at a meeting of the Stock Exchange Council on May 13.

been active in a joint working party ment managers' body.
with Isro on the feasibility of an international equities exchange, said a merger of the two bodies would be a tremendous step forward." However, views of Stock Exchange members generally have not yet been canvassed. And Mr Jonathan Agnew, chief executive of Isro, emphasised that the two bod-

ies were still some way from formal The Securities and Investments Board (the new top regulatory body for the investments market) déscribed the principle of a merger as

an "admirable idea." The SIB believes the best way of regulating the markets is to have change

organisations Last year seven SROs emerged

solving their differences and are as candidates for recognition by the shortly expected to agree to set up a SIR, but already the National Association of security dealers and inmembers of both organisations. agreed to merge with the insurance and unit trust intermediaries body Lutiro, and there is a possibility of a combination of the life assurance Mr Stephen Raven, a Stock Ex-change Council member who has tion Lautro with Imro, the invest-

> er goes through there could eventually be only four separate SROs.
> Originally, there was some friction between the Stock Exchange and Isro, when last autumn Isro proposed to set up a rival international equities market in London but the two bodies have sought to

> reconcile their differences and have et po discussions at two levels. Mr Raven, from the Mercury In Archibald Cox of Morgan Stanley, representing Isro, have headed a working party to study the possibili-ty of an international equities ex-

\_ the world's biggest rail ferry Krupp engineering from

stem to stem.

# Elders' bid move rejected by court

By Raymond Hughes, Law Courts Correspondent

ELDERS IXL, the Australian group that has made a £1.8bn (\$2.8bn) takeover bid for Allied Lyons, the UK food and drinks group, has lost its legal battle to stop its confidential plans for financing a revised offer being disclosed to Allied.

The High Court in London yesterday dismissed Elders' plea for an order quashing the decision of Brit-ain's Monopolies and Mergers Comnission, to which the bid has been referred, to disclose the information to Allied. The bid has been frozen pending the commission's report.

Mr Justice Mann said the commission had acted correctly in subordinating the possible detriment to Elders of disclosure to its duty to in vestigate whether a merger of the two companies would be against the

public interest. Elders, which has interests in prewing, agriculture, finance and international trading, is to consider an appeal.

The judge said the commission believed it needed Allied's views on the proposed financing of a revised bid to enable it to carry out its investigation. It also thought that fairness to Allied required disclo-

Allied's view was that, if it did not know what Elders was proposing. itmight be dealing with "a moving target" and unable to make representations to the commission about the changed position.

Elders complained that disclosure of its confidential proposals. certain features of which were unique, would enable Allied to fore-stall a revised bid, which would be frustrated and undermined.

Disclosure would be unprecedented in any takeover situation in any market in the world, and might create a false market in the shares of both companies.

Elders argued that the commis sion had acted unfairly and taken insufficient account of the disproportionate harm that disclosi would cause to Elders.

The judge said the considerations of fairness had arisen in the course of a statutory investigation as to what was and was not in the public

# Prison staff to intensify dispute with national industrial action

BY PHILIP BASSETT AND PETER RIDDELL

PRISON officers will today begin aithought some executive members said that the Government would nationwide industrial action for the first time in their dispute over manning levels. The Government said yesterday that it would implement contingency plans to counter the effect of the officers' action.

union's branches at all 180 prisons been taken in the province - of its decision to intensify the action.

Full details will not become clear until today and may vary from prison to prison. But for the first time, it will involve all officers. It is likely to include a work to rule, action affecting the escort of prisoners to tocking of prisoners, which heavily

disrupts prison regimes. press ahead yet with strike action. Douglas Hurd, Home Secretary,

LEADERS OF the National Union

of Teachers (NUT) and education

authority employers are negotiat-

tinuing disruption of schools in re-

turn for an interim pay award for

all teachers in England and Wales.

when the two sides were brought to-

gether by Mr Giles Redicci, the La-

bour Party's senior education

spokesman, would also readmit the

NUT to the current long-term talks

on teachers' pay, service conditions

The mood at the meeting was

said to be one of cautious optimism.

The biggest outstanding problem is

last year recorded their biggest in-crease in pupil numbers since 1981

terday by the Independent Schools

The 1,289 independents covered

Information Service (Isis).

and employment contracts.

The deal discussed vesterday

ing a deal designed to end the con-

service were now not far away. tion will take the form of a week-

Hornsby, POA assistant secretary, The executive of the Prison Offi- described the action as "very secers' Association (POA) notified the vere" and forecast it would cause massive disruption in the prisons. in England, Wales and Northern He said there was an intention in Ireland - the first time action has the Home Office to render the union impotent and he made it clear the POA was not prepared to tolerate that.

Mr Eric Caines, director of personnel in the Home Office prison department, said that the most critical action would be if the officers called a strike - but the Home Ofand from jails, and controlled un- fice did not believe POA members would support such action. It could deal with a strike if necessary.

Teachers' union in pay talks

the size of the proposed pay award.

the 6 per cent pay rise and local au-

thority craftsmen also having been

offered 6 per cent, the employers

will be unwilling to contemplate

13-month schools dispute, teachers

received a pay rise of 6.9 per cent

backdated to April 1 1985, as well as

a further 1.6 per cent from March

the NUT, which represents about 48

and the union has since maintained

BRITAIN'S independent schools although the same period saw the denied that the disruption of state

UK's total school-age population de-

dent sector of about 2,500 schols,

compared with 6 per cent a year

limited disruptive sanctions.

Private schools draw more pupils

cline by about 3 per cent.

That settlement was opposed by

Last month, after the end of the

anything higher for teachers.

31 1986.

With civil servants set to accept

BY DAVID BRINDLE, LABOUR CORRESPONDENT

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

despite average fee rises of 9 per cent compared with 6.1 per cent inflation, says a survey published yes ladion, says a survey published yes now catered for by the full independent Schools and the center of short 2 500 center.

were forecasting that strikes in the take all possible steps to protect both prisoners and the public from One possibility is that the new acthe effects of the dispute. He made "a final appeal to prison officers to long ban on overtime. Mr Phil look at the package of proposals placed before them and to judge

away by taking further industrial A Home Office circular will be sent to courts and police today. It will suggest the adjournment of some critical cases and the refusal of immediate bail in others.

Mr Hurd said that the aim of the circular was to seek the understanding of the courts and to suggest ways of reducing the burden on the police. But he stressed that he was "not seeking to interfere with judicial decisions."

During questioning, Mr Hurd The executive decided not to In the House of Commons. Mr said he sympathised with a plea for introducing no-strike agreements

In retaliation, the Labour-led em-

ployers have excluded the NUT

The proposed deal would save face on all sides, allowing the NUT

to claim credit for a further pay rise

and getting the union back into the

long-term talks after the failure last

week of its attempt to do so through

For the employers, the deal

would get the biggest teaching

union involved in talks which look

unviable without it. For Labour, the

deal would end an embarrassing

education authority leaders and the

schools by teachers' unions had led

a significant number of wealthier

parents to transfer their children to

The heads said the main reasons

for the increases in boy day-bubils

and girl day-pupils and boarders

boy boarders declined - were im-

proved marketing by the schools and changed parental attitudes.

independents.

from the long-term talks.

the courts.

per cent of state school teachers, confrontation between the Labour

whether it is worth throwing that

# Gatwick's second terminal delayed

By Lynton McLein

THE BRITISH Airports Authority (BAA) is to delay the completion of the new £200m pussenger terminal at Garwick airport, London, by nine months "in the light of eash-flow forecasts for the coming year," the authomty said yesterday.

The authority has had to reassess the priorities for its entire £550m current investment programme.

The first phase of the new north terminal at Gatwick was to have opened in June next year to cope with rapidly rising passenger demand and increasing congestion at

the airport. The terminal is now likely to open in spring 1988, the BAA said vesterday. The authority expects growing pressure on passenger traffic at Gatwick for the next two summers as a result of the delay. Airlines are

likely to be asked to spread the daily peaks of flights, with possible disruption to timetables. The authority has been hit by the increased severity of government fi-nancial targets for the current fi-

nancial year and by falling growth rates and rising costs, which have put pressure on the authority's ability to stay within the governmentimposed external linance limit (EFL). The BAA tries to fund a high proportion of its capital investment programme from its own income.

The EFL was set at £15m for

1986-87. This sets a ceiling on BAA's borrowings and is low in relation to the scale of capital airport projects which BAA has under way. In the previous financial year, the EFL was a minus figure, when the BAA had to pay the Treasury Clim.

The financial targets were set by Mr Nicholas Ridley, the Transport Secretary, earlier this month in readiness for the privatisation of the BAA.

The current investment programme at BAA airports includes the £290m development of Stansted in Essex as London's third airport, where work started on April 15, and the £70m refurbishment of terminal three at Heathrow airport, London. The BAA opened its \$200m terminal four at Heathrow earlier this month, but this project had no impact on the decision to delay the second terminal at Gatwick.

The new porth terminal at Gatwick is designed to boost the airport's passenger handling capacity from 16m passengers a year to 25m

### by the Isis surveys in 1985 and 1986 Heads of six representative feecharging schools present at the had an increase over the year of launching of the survey in London nearly 5,000 pupils - 1.2 per cent -

Krupp engineering for excellence

# Iron road plies the Baltic.

Twice weekly, the rail link sails for Finland: length 186 metres, speed 19 knots. The ferry is the work of three Krupp member companies\*. Built by Seebeckwerft AG, the vessel is powered by Krupp MaK 21,462-hp engines and fitted with Krupp Atlas Elektronik radar and echo sounding equipment.

Railship II lays invisible tracks across the Baltic to link Finland's railways with the main European network:

Freight cars and passenger coaches roll onto the ferry in Travemunde, West Germany, and off again in Hangö, Finland, after automatic changeover to the Finnish gauge.

On board Railship II there are almost 2 kilometres

of trackage. 85 freight cars and 70 passenger coaches can be stowed on three decks using a two-tier lift and six shunting locomotives. This mammoth cargo is unloaded in a record six hours.

Railship II is yet another example of Krupp's allround engineering capabilities. On land and at sea. From antennas to cement plant, from rail ferries to pollution control equipment.

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Krupp. A tradition of progress.

Routhio II contact Seebeckwertt AG, Postfoch 10 12 40,

Cadbury

division

changes

fectionery and drinks group, for-mally hands over its doznestic foods

and beverage division this week to managers who mounted one of Brit-

The managers bought the divi-

sion for £97m and plan to bring the

company - to be renamed Premier

hands

am's largest buy-outs.

# **UK NEWS**

# Eaton to move part of US pump production

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

oint company it is to set up in the

The joint company will be based at Hobourn's existing factory at Strood in Kent and the venture is expected to create about 200 jobs

Mr Jim Omand, managing director of Hobourn, which the manageneut bought from the Thomas Tilling Group in 1983, sayd yesterday that Eaton had decided to make the move because Hobourn's cost base was lower than that of the US facto-

BY HAZEL DUFFY

cent of the new joint venture company, Hobourn-Eaton Steering. The US group's contribution to the group's contribution to the share and loan capital will be

The partners plan to launch the project this summer and to have a tional in 1987.

The new company will be responsible for the design, manufacture Eaton name and under licence from

Production of some pumps for the group will give up to take 50 per truck market - an area in which Eaton claims market leadership - will shall as Strood builds up output.

Eaton said that the change would not make a significant difference" covered since 1982 when it suffered

Brands - to the stock market in 1990 with a capitalisation of about £70m on projected taxed profits of Premier Brands - whose products will include Smash, the Chivers and marketing of a large range of in Industry), in 1983, Hobourn's power assisted steering pumps for sales have increased by more than all types of cars and trucks.

50 per cent to £13.8m in 1985 and Initially the range will include taxable profits reached £1.00m.

# range of jams and marmalades, Ty-Phoo tea and Cadbary's chocolate

biscuit range - will have annual sales of about £300m. If will employ about 5,000 workers, who will be offered up to 15 per cent of shares when the company is floated Cadbury Schweppes will al-

so be offered a share option of 19 per cent in the business. Mr Paul Judge, former managing director of Cadbury Ty-phoo, is to The Commission first put forward the idea of a Community trade become managing director of Pre-mier Brands. For the first few years there would be a high level of debt approved by the Council of Minis-

and it would be three or four years before the company could reinvest in new brands, he said. Our brands, such as Marvei, are

market leaders, but they are operating in mature markets and, over the last few years, there has been little The division did make money

but it was spent in other areas. Capital investment was similarly affectwith £25m on food and beverages. hopes to achieve an improved ratio of profits to sales by concentrating on products for which it sees a clear

buy-out offer was raised after Allied Lyons, the food and brewing group

future and by trimming personnel

### Swedish partner

YESTERDAY'S article "Papermakgateti was Assi. It is in fact Sven Cellulosa Aktiebolaget SCA.

cost

EATON CORPORATION is to had a proven track record through units already being manufactured transfer production of some auto- some years of making Eaton auto- by Hobourn under the Hobournnotive pumps from the US to a new motive pumps under licence. Eaton has a 15 per cent share. Eaton, for cars and trucks. UK with the Hobourn Group of holding in Hobourn which the US

er the next three years to add to . £1.7m.

EEC trade mark office sought The British Government's camoffice to the British economy at
paign has been launched before the about £10m annually.

Pattie, Minister for Industry and In- mark six years ago: Its am

day that when the proposals had been received, the Government would focus on a single site that A brochure identifying four possiis the first step in a campaign which will extol the virtues of the City as a financial and commercial centre, and more specifically its tra-

THE BRITISH Government opened

its bid yesterday to secure the pro-

arks office for London. If succe

ful, the office would house the first

ompetition from other member states, particularly West Germany and the Netherlands. The European Patent Office, which includes seven EEC countries, is located in Munich and has a subsidiary office in The

called Dunsvoice, launched in the

trade marks office for London lie it would bring - about 250 would be directly employed, probably on a tige. Indirectly, it would give work to trade mark and patent agents as well as the legal profession. Unoffi-

would be the subject of a formal bid.

European Commission's request for

formation Technology, said yester-

prefer to work with systems where the English language is used pre-

London. North American, and to

law, although a system of national

cial estimates put the value of the dominantly. Company data service launched

> costs about £5 a time. After logging on with security and costing codes, subscribers can ask for the highlights of a compa-

These include whether a compaconversations. They can now use a my is considered able to pay a spe-push-button multi-frequency tele-cific sum of money, how long it is

phone to obtain the service, which likely to take and whether there are covers over 1m UK companies and legal problems.

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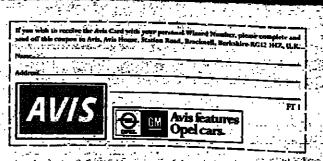
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# UK NEWS

George Graham reports on the CBI's latest industrial trends survey

# Manufacturers regain optimistic outlook

WK MANUFACTURERS are now companies employing more than and has increased in each survey still below the level reported bemore optimistic about business 5,000 people showed the greatest since the level of 45 per cent in July 1983 and April 1985. It is now at its highest level since April 1984.

The largest companies were the since April 1984.

The worst affected sector was by the Confederation of British in the most optimistic lindus. by the Confederation of British In-

The survey by the employers or-ganisation shows business confidence is back to the levels it Output and orders: reached early last autumn - after dipping when companies were last questioned in October and January - but still fails to match the buoyancy it showed last spring, when the falling value of sterling boosted or-

The CBI says 21 per cent of the 1,568 companies questioned are more optimistic about the general ss situation, and a quarter expect output to rise in the next ing. The fastest growth was report manufacturers fell again, as they four months. Large companies, in ed in textiles and in metal products. did in January, but companies with particular, are more confident, especially in export markets.

The survey is the 100th carried out by the CBI since it was first introduced in 1958. It was conducted

on the general business situa-tion, two thirds of respondents said ing their order books to be below they were as optimistic as they were four mouths ago. While 21 per the lowest level since October 1983. cent reported an increase in confi-dence, 13 per cent reported a de-

strument engineering, and paper, printing and publishing each with a balance of +21 per cent.

months as 21 per cent of companies reported higher production and the same proportion lower production. metal manufacture. The largest companies reported a decline in output, with a balance of – 22 per cent.

tors reported negative balances, in-cluding food, drink and tobacco, andelectrical and instrument engineer-New orders over the last four less than 500 employees reported months also stagnated, after declin- an increase in stocks. For the next

between March 27 and April 10, at a time when the pound stood around \$1.47 and DM 3.44 - higher against the Dositive sectors were electrical and in progress, the metal many the dollar and lower against the Dositive sectors were electrical and in progress, the metal many the dollar and lower against the Dositive sectors were electrical and in progress, the metal many the dollar and the time of the January and publishing, with balances of finished goods ances of +34 per tent. ance of +16 per cent, compared to static. While the largest companies +9 per cent in January. The most have in general reduced their work positive sectors were electrical and in progress, the metal manufacture

Capacity and constraints to output: Below capacity working was reported by 57 per cent of respondents

per cent. The most optimistic indus metal manufacture, where 80 per trial sectors are electrical and in central companies reported working below capacity. This sector had no companies reporting that their present fixed capacity was less than

Output stagnated ever the last four The main constraint on output was, once again, a shortage of orders. The worst affected sector was

Scarcity of finance is reported as a constraint by 8 per cent of the sample, with large companies - es-Four of the broad industrial sec-ors reported negative balances, in-and other transport equipment worst affected. Stocks of raw materials held by

ing slightly in January. four months, further falls in raw Prospects for orders in the next material stocks are expected. four months improved, with a bel-

Stocks of finished goods were re-ported down over the last four months by a balance of -3 per cent, the same as in January. A balance of +10 per cent expect-

ed to increase investment in plant and machinery over the coming results of the last three surveys, but

The largest companies were the cost pressures are at low levels. A

tain investment levels, but 16 of the 50 individual industries expected

Factors limiting capital expenditure have changed in importance, the survey shows. Now, 47 per cent report inadequate return on invest ment as a factor, compared with 41 per cent in January. Only 41 per cent report uncertainty about de-mand, compared with 49 per cent in

This is the biggest margin by which reports of inadequate return have exceeded those of uncertainty about demand since the question was first esked in October 1979, the CBI says. Employment has continued to fall

over the past four months, reported by a balance of ~17 per cent - the lowest level since January 1984. The smallest companies reported a slight increase, but the largest companies showed a balance of 30 per cent with lower employment. Over the next four months emsyment was expected to decline

ployment was expected to treatment by a balance of 14 per cent, the same as in January. Only two sectors expected to increase their employment: textiles, and paper, print-ing and publishing.

ing an increase in costs was the lowest since 1963, confirming that balance of 19 per cent reported higher costs, although in the consumer goods industries the balance was +29 per cent. Chemicals and metal maintacture reported cost

Manufacturers said they were more optimistic about their export prospects than in January, with a balance of +12 per cent. The largest companies showed a balance of +43 per cent, and all the broad in-dustrial sectors were positive.

Export orders in the past four months were reported down by a balance of -1 per cent. The most negative sector was motor vehicles and other transport equipment, with a balance of -15 per cent.

For the next four months export order prospects are much better with a balance of +18 per cent after three successive surveys in which it was below +10 per cent.

Export deliveries in the last four months were reported up by a balance of +5 per cent, compared with +3 per cent in January and +1 per cent in October. In the next four months higher export deliveries are expected by a balance of 20 per

CBI Quarterly Industrial Trea Survey, CBI Economic Trends De-partment, Centre Point, 103 New Oxford Street, London WCIA 1DU

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# Far East companies 'discussing plants'

BY IAN HAMILTON FAZEY

MORE THAN 2,000 new jobs are man, Mr Septimus Bobinson, on a now in prospect in north-east En- Far East tour. Representatives of gland as a result of more inward in- one company arrived in Newcastlevestment from Japan and Hong upon-Tyne yesterday for more dis-Kong, the North of England Devel- custions. Others are expected in the opment Council announced yester next few weeks.

The names of the interested companies are being withheld because of commercial confidentiality and believe that this has done much to competition from other develop-ment agencies in Britain and coninental Europe. However, the council says they include "a major project" from Japan involving 1,000 attractions, jobs and a similar number from a There are Hong Kong textile company with massive investment in mind.

the north-east for a site for a facto- see their numbers start to snowball ry, which would create 200 jobs.

opment manager, said yesterday.

The companies have just been visited by the council's new chair- job project.

The council is capitalising on Nispromote the North-east to other Japanese companies because Nis-san would not have chosen the area without substantial research on its

There are now 12 Japanese companies in the area. Five Hong Kong companies have been attracted In addition, a Hong Kong electronics manufacturer is looking in that its new office in the colony will since 1983, and the council believes Mr Robinson said vesterday that

In all cases, the companies have other negotations close to conclu made several visits and had had sion were a Texas-based plastics "substantial discussions," Mr An-maker with 50 jobs, a Danish chemdrew Robinson, the council's devel- icals company looking for a site where 200 would be employed and a French plastics concern with a 50-

# NUM's defiance 'has cost union £1.8m'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

workers (NUM) nearly £1.8m, the saddle to pursue the case, and next court was told yesterday.

appointed receiver of the NUM.

It was agreed yesterday that there should be a court hearing, probably on May 14, to see how it by the said. It must be reme night be possible to end Mr Arnold's 16-month stewardship of the NUM's affairs and return them to the control of the union.

Mr Justice Mervyn Davies, who ppointed Mr Arnold in December, 1984, after ruling that the NUM's trustees were not fit and proper ons to control its finances, said he wished to see a speedy end to the receivership. However, there were still obstacles to that.

The main obstacle is an action started by Mr Arnold, a senior partner in City of London chartered accomplishes Asslaw Value last Cancomplishes Asslaw Value last Can-

banks, in connection with the trans- paid to sequestrators £435,806; forfer abroad of £8.5m of NUM funds.
shortly before the year-long miners'
strike started in March 1984 in an attempt to keep them out of the NUM was solvent, with a surplus of

DEFIANCE of the High Court has January. It is generally accepted cost the National Union of Mine- that Mr Arnold must remain in the month's hearing will try to resolve The figure came from a report by the procedural problem of how to achieve that and at the same time effectively end the receivership.

in his report Mr Arnold said i was still too early to count the final But, he said: "It must be remem

bered who is responsible for that loss. It was the leaders of the NUM who chose by their actions to visit enormous losses on the trust

Mr Arnold reported that he col-lected £14.5m of NUM money, in-cluding £7.7m of the funds sent abroad, and £1m income earned by money he had put on deposit and paid out £8.9m, which included £1.79m attributable to the receiver-

ner in city of London characted accountants Arthur Young, last September.

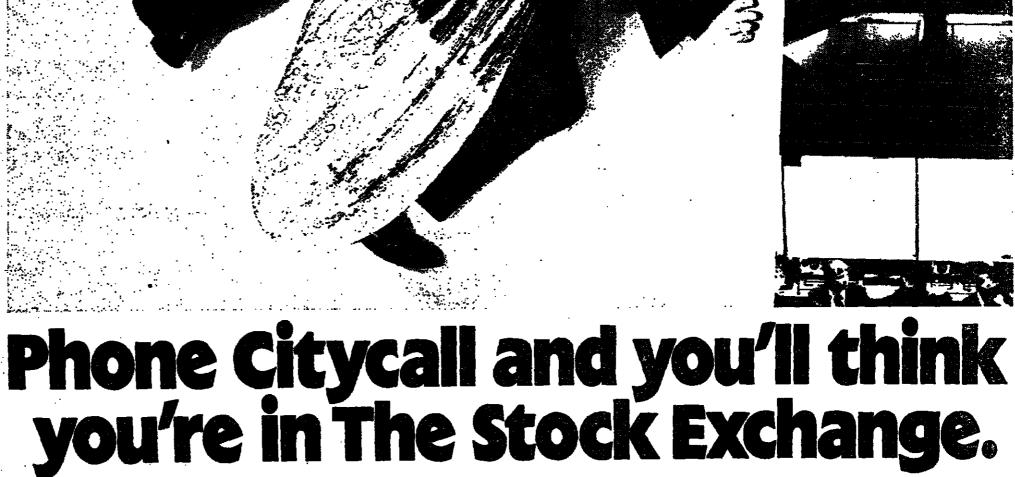
He is claiming damages for alleged breach of trust against Mr Arthur Scargill, the NUM president, ofter leading NUM officials and six banks, in connection with the transparence of the segmentation of the segment

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# THE MANAGEMENT PAGE

# Why the Haniels rely on professionals Trans-O-Flex. Before that in 1984, he made Haniel's biggest ever purchase by buying the SM Flickinger retail chain in the US in order to link it up with Scrivner. In 1982, Gehe consumed a Double of the Manuel Consum

Peter Bruce continues his series on West German family companies with a look at a trading trading conglomerate with US interests

FREDERICK the Great, build up the inland harbour at Prussia's 18th century warrior Ruhrort (it is now the biggest ing, may have been eccentric— in the world), persuaded the it is said that he used to touch authorities to expand their tiny up the red paint on his cheeks railway network, and founded appear fresh and healthy-but eventually became he also had a good business nungshuette (GHH), now brain and encouraged the spirit Europe's biggest engineering

(now part of Duisburg) where bank and a small hospital. the Ruhr river joins the Rhine. Franz Hamel's modern In 1756 Frederick granted Noot descendants number more than the right to build a new home 200 and they own a business and warehouse outside the city with sales of DM 13bn (£4bn) a walls, from which he estab- year, but which in many ways lished a small agency and trans- resembles the one he left Noot's grandson by his daughter Aletta Haniel, was born in the several generations hired pro-

morning in order to the smelting company that of entrepreneurship among his subjects.

One such was Jan Wilhelm Noot, a businessman in Ruhrort workers, including a savings

over the business when he was the company, 17. Dr Hans Georg Willers, chief



Franz Haniel (left): founder of a dynasty; and Hans Georg Willers: non-family chief executive

visory board. "As long as the profits are good there are not too many problems," he says. lucky. After the war, and true Under Willers, Haniel's net to tradition, Haniel continued income has risen from DM 64m in 1981 to DM 77m in 1984 and. with the family taking no more

by Franz's most senior direct tions and to make mistakes. descendant, Rlaus Haniel, Turnover, DM 6.3bn in 1981, has elected to the company's supermore than doubled more than doubled.

In a way, Willers has been rapidly to switch its attentions to new opportunities when they Franz, by all accounts, was something of a whizzkid. He cie since 1981, likes it that way. built up a river fleet to transport coal from the area, helped members of the family headed with the family taking no more arose. In the late 1960s, just than 25 per cent of that for the biggest themselves, he has had reasonsold off one of the biggest able scope both to make acquisi-petrol station networks in West arose. In the late 1960s, just

Haniel's holdings in GHH

the final parting must have been hard for Klaus Haniel, just as it had been in the late

off Rhine Preussen, his old

Normally, German com-panies make do with a super-

visory board (on which shareholders and workers

and sometimes creditors are

represented) to oversee man-

agement, but Haniel, in addition to the small circle

also has a beirat :. an advisory

council of 24 important share-

holders who also make up the

shareholder (in this case, family) side of the super-

stamping ground.

0s when the family sold

Co., shape Haniel today. Since taking over as chief executive Willers has radically decentralised the group—"you get better people that way," he says. "They enjoy the work more." Last year, with the family's permission, he spent DM 100m buying one of Europe's biggest 24-hour parcel delivery services,

manufacturing nothing.

in the US, acquired Scrivner,

America's fourth biggest food

"Metro wasn't planned," says

willers. "It was luck. Scrivner was the first strategic purchase." The important thing about Scrivner, borne out by

retail and wholesale group.

detail. It would have been consulted on the move to the US. It is also consulted on dividend payments but is limited by an unwritten, though "iron" rule, according to Klaus Haniel, that at least 75 per cent of company profits are ploughed back into Sentimentality aside, that provides Klaus Haniel with

little to do with business

probably his strongest argument for keeping the business in the family and for avoid-ing going public. "As a public company we would succeed in holding dividends to 25 per cent," he says, and, besides, "I fear that the moment we go public the family would fall apart."

The danger always is, however, that the family could grow so large as to become unmanageable. Klaus Haniel says he goes to a lot of trouble to maintain family unity. The Haniel youth are invited to a bi-annual meeting and are encouraged to be inquisitive about what is being done with "their" company. Some of their questions, he says, are very uncomfortable. For the moment, that is good news.

to buy a one-third stake in the rival, Ruwa, In 1981 Haniel Metro wholesale supermarket bought one of its most profitchain. In the mid-1970s the able operations, CWS, a Swiss-family, keen to buy something based washroom service group. An attempt to get into oil and

gas exploration in the US three years ago failed, as did Immo-data, an attempt to marry Haniel's real estate business with its in-house computer services. "You can buy computer services at any street corner nowadays," says Willers rue-

about Scrivner, doine out by the acquisition conditions set fully.

Out by Haniel's consultants, he has also continued to get McKinsey, was that it fitted almost exactly the group's traditional expertise—buying, and full management control, of selling and transporting but manufacturing nothing. trader, to Mobil and, in 1984. The Metro and Scrivner purselling the company's interchases, along with the acquisinational coal dealing business, tion in 1973 of one of West Haniel Coal and Mining, to a Germany's biggest pharma-neighbouring rival, Stinnes, ceutical wholesalers, Gehe and But there are lengths, out But there are lengths, outsid-

ers believe, to which Willers could not go even if he wanted to: where family tradition is the last word. The old river fleet, ploughing German waterways in long ceased to deliver exciting returns. But getting rid of it would, to many family traditionalists, be unforgivable.

Willers has, anyway, more pressing problems. Profits at Metro, Haniel's cash cow, are slipping but because of the agreement made when Haniel bought the 33 per cent share, it has only a limited say in how Metro should be run. Also, there is a danger, though it is not yet a serious difficulty. that the group, as a result of the weak dollar, may have become overexposed in the US which now accounts for some 60 per cent of turnover.

It is probably just as well that Willers, whose job borders on portfolio management, has decided it is time for Haniel to draw breath and consolidate for a while. The family and the group's 16,000 employees must sometimes feel they have been violently shaken. He holds press conferences, something unthinkable 10 years ago. A philosopher on family businesses, he gives speeches on how they should be run and is quite adamant that an owning family has no place in management. "They have different interests—the family has money and the management has knowledge of the future." Or. family membership is no qualification (for leadership)". Old Franz Haniel would probably turn in his grave but it would be hard to sneer at the balance sheet. Frederick the Great, by most accounts a playful warrier, would probably be amused. Previous articles in this series ppeared on April 17 and 18.

### Management abstracts

How Large Commercial Banks Manage Product Innovation F. A. Johne + P. Harborne in The International Journal of Bank Marketing (UK), Vol 3 No 1 (16) pages).

Reports a study of how some large banks competing for cash and treasury management ser-vices develop new products; suggests that successful banks use managerial structures and practices strikingly more efficiently than less experienced banks, inter alia, ensuring that specialised personnel are in regular contact with the market.

Technological Development and the Board. S. Wilder in Long Range Planning (UK), Aug.

85 (6 pages).
Argues that, in an organisation bent on technological innovation, the board of directors business director " who oversees a "product champion" (or two or more). The board's role should be supervisory choosing which technologies should have support establishing or curtailing new ventures, and—indually—giving support specialised functions. new ventures, and—indivi-

Women and Men as Colleagues. H. H. Solomons + A. Cramer in Management Education and Development (UK). Summer 85 (14 pages).

Discusses the barriers that women - managers/professionals in organisations have to overcome if they are to be accepted -not merely as peers-but as colleagues; trust, dependability and social acceptability; dis-cusses manifestations of each and offers hints for women on ways of breaking down the barriers—through management training or self-development— to compete successfully as equals.

Bettering the Odds on a New Venture. Management Prac-tice (USA), Spring 85: (3)

pages). Uses a case study to illustrate an approach to new venture modelling—in this case, new product development by a pseudonymous consumer goods manufacturer; examines performance/growth potential and identifies areas of distinctive competitive competence, determining new venture programme objectives to fit the company's strengths, and creating a "screening model" against which product extensions or acquisitions could be tested. Indicates key activities and end products in each stage of the

Involving Employees. H. von Werra in Management Zeits-chrift (Switzerland), Feb. 85

(4 pages, in German, English version available). The president of a group of companies principally engaged in making machine (90% (Sprecher + Schuh AG) stresses that much can be achieved by involving the employees in unconventional ways: two instances drawn from his own experience are described in detail, one of which necessitated totally ignoring the hierarchical

structure of the group.

Management of the Arts. A.

van de Vliet in Management Today (UK), July 85 (9

pages).
Looks at a view of arts managers as "unprofessional, excit-gers as unprofessional, excit-able inefficient crisis mana-gers"; discounts this, finding at least in major houses—(Roya) Opera House, Royal Shake-speare Company, Victoria and Albert Museum) effective, hardheaded management. Examines the difficulty of balancing financial and artistic objectives with market realities; stresses the need for "targetted funding" through Aris Council grants. and points to the return on subsidy through, e.g. VAT, export revenue and tourism.

Organisational Learning. W. Bennis + B. Nanus in New Management (USA). Summer

85 (7 pages). Defines organisational learning as the process by which an organisation, at all levels. obtains and uses new knowledge, tools, behavior, and values Looks, as an example, at the process taking place at AT&T (telecommunications) following its restructuring: examines the role of the chief executive in encouraging and rewarding learning behaviour, and how innovative learning should be organised.

The Fast Track May be Hazardous to Organisational Health. P. H. Thompson + others in Organisational Dynamics

(USA). Spring 85 (13 pages).
Suggests that the manage-ment development strategy of moving and promoting a selected group of managers rapidly through a variety of positions (putting them on "the fast track") is creating serious difficulties in many companies. Identifies seven main drawbacks (such as concentration on shortterm results, lack of continuity, and too great a concern for personal visibility), and outlines alternative strategies that match individual/organisational needs

These abstracts are condensed from the abstracting journals published by Anbar Manage-ment Publications. Licensed copies of the original articles may be obtained at a cost of £4 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley HA9 8DJ

### A passion for tradition KLAUS HANIEL appears to

be one of that ever-dwindling number of people who, if they had their life over again. would not change much. The war years, especially being a prisoner of the Russians and then the Czechs, would certainly go. The Russians didn't hurt him but the Czechs obviously did. "You quickly realise how thin the layer is."
he says, "that divides man from animal."

Klaus Haniel is 70 and the senior living descendant of Franz Haniel, his great-greatgrandfather. Klaus heads the Haniel family, all 240 of them, and he does so with a very unfashionable passion for tradition. He started his working life as a minerhe studied mining in Aachen and did a year underground before beginning a rapid rise through to top management in the family mining business. Rhein Preussen.

This was followed by an appointment to the supervis-ory board of the Gutehoffnungshutte (GHH). today Europe's biggest engineering company, in which the Haniels had an 80 per cent stake up to the war. Klaus eventually became chairman of the GHH supervisory board board of Thyssen, the West group.

At about the time he be

came chief at one of the big Haniel mines, and conscious of tensions that had developed among some family branches of his father's generation and threatened briefly to damage family unity, Klaus Haniel began to meet informally with three other family members he knew and respected. Together, the four, none of whom necessarily had a particularly large stake in the Haniel empire, came to form what is now quite obviously the key decision-making body in the group.

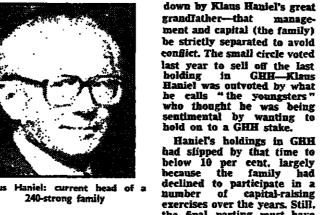
Klaus Haniel calls it "the small circle"—it expanded to eight about six years ago. The rules have remained the same. No-one is there by right, only on merit. And neither are they all family. One man, a lawyer, administers the wealth of one of the Haniel widows. They meet about once every two months and will often ask



Klaus Haniel: current head of a

Hans Georg Willers, Haniel's chief executive, to join them. The senior Haniel makes little secret of his admiration for

"We are very open among ourselves," says Haniel It is this small circle, for instance, that decided family shareholders needed some form of protection from being over-exposed in the West German economy of the mid-1920s and decided to buy something (it turned out to be Scrivner) in the US. The small circle headhunts chief executives and is the guardian of a rule handed



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Television/Christopher Dunkley

# Monarch of all who survey her

Nearly four centuries after the fundamental shift in British power from monarch to Parliament—that crucial transition described by Professor Wallace Notestein as "The Winning of the Initiative by the House of Commons "—how can we explain the astonishingly high esteem in which the British hold their rayal family and the near contempt with and the near contempt with which so many regard Parliament? In an age when most other monarchies have disappeared how has the British menarch retained all the trappings of royalty including palaces, lands, steam yacht, patronage, and above all the respect and even love of the populace? To what should we attribute, most extraordinary of all, the absence of any republican movement in Britain?

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There are, I suppose, half a dozen overlapping answers, with Britain's class consciousness predominating (though how far respect for royalty is an effect of that consciousness, and how far a cause, is debatable). But whatever the other able), But whatever the other factors may more have been television has surely become central. It is no coincidence that whereas the royal family, led determinedly by the Queen herself, has welcomed and brilliantly explained television. brilliantly exploited television, the House of Commons has repeatedly rejected it

During last week's cele-bratery programme on BBC1, Happy Birthday Dear Ma'am (on the face of it a cleringly sycophantic title, but in the event containing a hint that the Corporation tongue was in the Corporation cheek: "Ma'am as in jam" we were told), the story was repeated of how, in 1953, Churchill and the Cabinet urged that television be excluded from the solemn

mass mentum, as they have continued to for 30 years at their a week (that is a per capitation palace in Westminster, average), and royal activities while the royals embrace it and have become one of television's learn all about it. The result favourite subjects. was that on Coronation Day 1953, for the first time in out in his remarkably fond thistory. British television attracted a bigger audience than radio. There were more viewers per-set than before or since, 1969 programme made for the party following the prowas that on Coronation Day



The Queen and other members of the royal family enjoying a popular walkabout

popular than it has been for a ence between the coverage of thousand years. Such is their standing that Spitting Image can carricature them as examples ton's film. of the most offensive section of the county set—loud-mouthed, quarrelsome, rabbit-like in their sexual urges, weasellike in their hunting instincts, possessed of 1950s cut-glass accents—and nobody bats ag eyelid because nobody really believes it, not even Spitting

Obviously the high regard in which the royal family is held has much to do with the personality of Elizabeth II, but it is television which has so effect-ively publicised that person-ality. How could it be other-wise? The monarch can no excluded from uponysteries of the coronation, wise:
and of how the young Princess
Elizabeth insisted that the cutting taxes or riding out at in cameras and thereby the viewing public be allowed in.

That says it all: the politicians became the eracial medium, but the population never sets foot in a cinema.

However, the time spent watch-

advanced together and today, I ing the mystique. Programmes could learn to do it-but you would guess, the British royal in the last couple of weeks have do have to learn, and the Queen family is more secure and brought out vividly the differ- and her family have learned.

> The West German series Royalty on Channel 4 which, over the past four weeks, has depicted a year in the life of the royal family, also contained archive material of earlier kings and queens which demonstrated clearly how the cameras used to keep their distance and observe the formalities; indeed they were able to observe very little except formalities.

Then we saw last week's ITV

programme marking the Queen's 60th birthday, Fanjare For Elizabeth, the bulk of which comprised one of those "gala" evenings which are awfully exciting for those present but in home viewers cause MEGO (my eyes glaze over). However, it was the introductory Covent Garden "walkabout" which provided the eye-opening moment. While Alastair Burnet was, sadly, reducing his standing as a improblet again with a ing as a journalist again with a ceaseless cascade of obsequious banalities, the director cut from a close-up of the Queen to a high long-shot in which you could see the cameraman with the shoulder pack who was providing the close-ups. He was retreating backwards in front

Royalty carried interviews

with Anne, Philip and Charles which were neither the most gracious nor the most interest-ing they have ever given, but they were undeniably profes-sional. Incidentally the most astonishing aspect of this often excellent series is that the idea has never been attempted by British television. We have had the late Huw Wheldon's Royal Heritage about the palaces and possessions, but nothing which ever attempted that Palf Sealman-Facabet. what Ralf Seelmann-Eggebert and Istvan Bury have achieved, which is to show what the British royal family means

socially. The irony about the way that televison now dwells, day in, day out, so lovingly upon the royals is that it does so, surely, as a way of providing relief from the growing level of fear and anxiety in society which itself results very largely from television. The world may not really be that much worse than it ever was but, thanks to tele-vision, people who only a generation ago would never have heard of the Sabel are today worrying themselves sick about

constitutionally, historically and

In a world that now seems to radio. There were more viewers came with Royal Family. That of the Queen, his toes almost on change at terrifying speed, and and secondly, although Parliament of licensed sets rose by that you could show the rayals. She was beaming and chatting changes, quite literally, home to at home, messing about round and completely ignoring the sanctuary of virtually change. The rayals are the barbecus, without desiroy-camera. Of course many people sanctuary of virtually change to in which television plays the ment would indeed have to have televison all the time that on the rayals. She was beaming and chatting changes, quite literally, home to at home, messing about round and completely ignoring the sanctuary of virtually change electorate.

less tradition, stability, confidence, and continuity. Remote wars may appal us today as they never have before. We are doubtless more conscious and consequently more frightened than our predecessors of the frequency of assault and rape around us (indeed many people have a fearfully exaggerated idea of the incidence). Riots which were once local affairs now concern us all, thanks largely to television. But the Queen hum's hats don't change.
Trooping the colour doesn't
change. Even the Queen's
corgis go on for ever, or so it
seems. And at Christmas the generations of the royal family gather at Sandringham in an

atmosphere and surroundings which would have been familiar to our grandparents. In a worryingly chaotic world many viewers apparently world many viewers apparently find this staris deeply comforting. People obviously like the royal family. Whatever sort of series the Germans may have set out to make, it the end like so many other tough professional journalists they could not disguise their admiration and even affection for the royals. Perhaps it is wide-spread affection of that sort

which neutralises any republican stirrings. Parliament, on the other hand, now commands less respect than at any time in living memory, and perhaps longer.
Again there are probably
several reasons: party bickering
has increased, radio coverage has ensured the worst of all worlds (all the sound, fury and chaos and no explanatory pic-tures) and perhaps the general quality of MPs has declined. But Parliament's repeated votes to exclude the people from its activities by excluding their favourite form of communication, television, is surely a crucial factor in the increasing

division between populace and

politicians. No doubt it will be objected that the royals have been able to pick and choose when to have the cameras in, and that a family with young children is a natural focus for affection. whereas Parliament would have to put up with the cameras all the time, and is a natural focus for irritation. But there are two responses to that. First television now covers every royal event and there seems little choice left to the family;

# The Snow Queen/Birmingham Hippodrome

### Clement Crisp

generous three acts of David Bintley's new Snow Queen there is a good one-act ballet. It is called Le Boiser de la fée, and the pity is that Mr Bintley did not choreograph this rather than spread his material and his steps over the excessive length of an evening.

The Snow Queen was given its first performance by Sadler's Wells Royal Ballet in Birmingham on Monday night. It boasts fine design by Terry Bartlett and a score arranged and ex-tensively re-written by Bramwell Tovey, SWRB's chief conductor, from thematic material by Mussorgsky, music largely unknown save in quotations from Sorochinisy Foir.

The central narrative of The Snow Queen (from Hans Andersen's tale) concerns a young man marked as a child by the Snow Queen's fatal attentions; arrived at maturity he must forsake earthly happiness and join the Queen in her frozen kingdom. For Stravinsky the allegorical aspects of the tale were linked with the idea of renius's isolation as he adapted Chaikovsky to his own musical and astutely dramatic ends. For Mr Bintley the tale is mere narrative, and on a fairy-tale level, with a dwarf, wolf-men, a

us a White Dwarf creating a magic mirror at the behest of the Snow Queen. Stattered, its pieces fall to earth and mean that anyone whom these fragments touch will see and feel only cold and evil things. The first act is like a Swedish Petersthing as a fair in some Petrushka, as a fair in some Nordic country marks the end

Trapped inside the all-too- of winter and introduces a great maidens is mingled with comic deal of peasant joviality and a little boy, Kay, and his mother who are befriended by the parents of a little girl, Gerda. Kay falls under the spell of the Snow Queen at the fair, and the six diamed for ever by the Snow Change of the Snow Ch her wolf-men try unsuccessfully to take him away.

Handsomely designed by Terry Bartlett in grey and red (the set momentarily remini-scent of Tom Keogh's masterly decor for Babilée's Tyl Eulen-spiegel), the fair is bursting with local colour. As with all local colour, a little goes a long way in matter of peasant trip-pings, a dance divertissement of winter yielding to spring, and relentless merriment, which

and relentless merriment, which does not disguise a weakness of dramatic pulse to the action. By its end, an hour has elapsed, and though the SWRB artists have laboured long, the only emotional reward has been a frisson of menace as Kay is attacked by the wolf-men.

The second act. 10 years having passed, marks the marriage of the adult Kay (Roland Price) and Gerda (Leanne Benjamin). Merrymaking allows the male soloists, led by Michael O'Hare, to bound and bounce in well-made dances. The youthful pas-Chaikovsky to his own musical to bound and bounce in welland astutely dramatic ends. For
Mr Bintley the tale is mere
narrative, and on a fairy-tale
level, with a dwarf, wolf-men, a
magic mirror, a first comment
must be on the remoteness of
the emotional situation and
the dramatic pallor of the
characters.

An extended prologue shows
as a White Dwarf creating a

The bound and bounce in wellmade dances. The youthful pasmade dances and Gerda is celemade da

The matters of dance and narrative have been well solved in this act, wherein are to be found almost all the argument of the piece. The third act in the Snow Queen's realm (a dazzling set of icy blue remoteness and pen-dant banners) takes us also to the kingdom of divertissement, as a dull ballabile for Snow-

Queen. It would be a pleasure to report on this work with the unreserved admiration I felt for Mr Bintley's earlier Swan of Tuonela as an extended narrative. Alas, I find its reliance upon a tenuous dramatic scheme has invited too much choreo graphic padding; nowhere could I appreciate the imaginative power that made Swan so persuasive a view of what he could accomplish. His ability to make too much of the text seems just serviceable step making, and considerable pruning will be needed to pull the tale into sharper and more compelling

focus. Performances are in the main very neat though not emotionally or technically very gaudy: Samira Saidl, stunningly cloaked, is an impressive Queen; Leanne Benjamin and Roland Price have charm but not much edge to their charac-

terisations.
The scor The score is efficient, with intriguing subliminal echoes of Baiser (which will return next week to the Opera House stage). At its best, in the second act, the music sustains and colours the action: elsewhere I missed a melodic energy and extended architecture of numbers which might have encouraged Mr Bintley to stronger choreographic

These are first impressions, and I want to see The Snow Queen again—but not as much as I want to see the fine bardic sweep of The Swan of Tuonela,

### Tosca/Covent Garden

### Rodney Milnes

The 14th season of Midland Bank-sponsored Proms opened on Monday night with a revival of Puccini's supposedly fail-safe melodrama, much enjoyed by the audience but not, in truth, one of the Royal Opera's more distinguished recent revivals of the piece. So determined was the conductor Michael Schönwandt to avoid any suggestion of routine that he erred too far in the opposite direction; if such a thing as a precious Tosco is conceivable, then this

Phrases teased out way beyond their natural length, rubato calculated to the last inta, every "1" lovingly crossed. Mr.Schönwandt certainly knew what he wanted, and got it from an

not, I think, what Puccini's glowing little shocker wants. The Russian soprano Natalia Troitskaya was making her British debut in the title role. Her voice is warmly coloured and generous of vibrate, so much so that the dread word "suphble" lunks in the correct wobble" lurks in the corner of the listener's mind when pressure is applied. The conductor's leisurely tempos tested her breath control sorely — the last lines of "Vissi d'arte" were almost more breath than

Giuseppe Giacomini, a heroic tenor wastefully overshadowed by the Big Three but very much their equal, made a welcome

attentive orchestra, but it is dossi. There may be little consistent subtlety to his phrasing or his acting, which is economic in the extreme, but so meaty a middle register and such effortlessly ringing top notes are much to be treasured in these days of dire tenor shortage. Ingvar Wixell still fails to find much aristocratic relish in Scarpia: his police chief is a thug, no more, and thus

rather boring.
Eric Garrett's Sacristan,
every gag polished to perfection, was rightly a success with the audience, and John Dobson repeated his vivid Spoletta. The Zeffirelli decor is still just about standing up, though the Castel Sant'Angelo's tilt to return to the house as Cavara- starboard is worrying.

This is the first time in the

list of six titles will be

### Ballroom/Stratford East

### Martin Hoyle

Robert Pugh's new play is unable to remember what his escribed as "humour and characters are from scene to described as described as intrigue in the Weish valleys but the prevailing tone of nearly three interminable lies in numbly wondering how hours of atrocious ineptitude much further the playwright is of truculent nagging, petudoodles, and what prompted the months whining reproach doodles, and what prompted the months whining reproach doodles, and what prompted the months are represented to the months of the street results of the lant carping, whining reproach and embittered invective. After Theatre Royal to put them on.

A middle-aged husband goes dancing at the Top Rank in Cardiff without telling his wife.

She finds out. Two years later the ite still swarping at him. two and a quarter hours a woman asks her husband: "Would you say we are happy?"
which I found the funniest rewhich I found the number remark in the whole dire she is still swearing at him experience; by which time the audience was stunned into lethergic resignation.

There are an old harridan

The author, who recently and a figure of fun — part played a psychopathic gunman in a television soap opera, lacks such basic requirements as maked at the end as Debussy's being able to decide whether faun. "They may as well dam he is writing limp domestic omedy, a probing study of remarks the young drop-out sexual relations, poetic drama with characteristic cheerfulness.

# Baudo's Berlioz/Festival Hall

remains a great missed opportunity for Covent Garden, with its odd amalgam of full-blooded opera for Friar Laurence and ranks of Capulets and Mon-tagues, and purely orchestral music-but surely danceable?-for the lovers. Pending an inspired opera-ballet treatment, concert performances are still very welcome; and on Monday night Serge Baudo led the BBC Symphony and Singers in a satisfying and generally stylish

W. R. Grace N.V.

The orchestra was alert enough to brave the hazards of the instrumental Queen Mab scherzo with verve, and Kim Begley made a good shot at the vocal version (nobody knows why Berlioz decided to supply two settings) with semi-chorus. or political prapaganda—and if this is a typical product, Appearing at short notice, sticking to one of these. He is they may indeed.

Berling's Roméo et Puliette and "Premiers transports" gently and plangently. Jules mity for Covent Garden, with the old smale am of full-blooded character to the good Friar's

final admonitions that one for-gave his informal rhythm and a habit of running ahead of the beat-but I suspect Van Dam's recorded Friar (with Ozawa), sternly magnificent, is more what Berlioz had in mind. Baudo preserved just proportions for the score, which was performed without an interval.

and he was rewardingly careful with orchestral detail. The hectic excitement and despair of the tomb scene was captured vividly, missing only the touch of high-register hysteria that French orchestras can add to it. On safer ground, with the chorus rising eagerly to the chance to make a really solid noise at last, the grand reconciliation was duly impos-

### English Brass/St John's

Music/Monday. Opers and Beliet/Toesday. Thesite/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

has been reborn; the personnel are unchanged but they have broadened their horizons and now call themselves the English Brass Ensemble. Their concert at St John's, Smith Square on Monday was decently full, demonstrating again the power of brass groups to draw an audience when other combina-tions might well have struggled

The concert was to have included three first performances but those by Vic Hoyland and Tim Souster fell by the way, and only Edward Shipley's The Devil's Picturebook for brass quintet survived. Musical portraits of figures from the Tarot, it proved thematically unmemorable and texturally

The Albany Brass Ensemble John Harle's uprepossessing Miles and Miles for brass and percussion, an engaging fusion of jazz gestures with a fully worked out and tightly organised formal plan.

Michael Rosenzweig's untitled piece for solo vibraphone and Bo Nilsson's Bass, for amplified tuba, gongs and tamtam provided variety of a kind. Shostakovich's Seventh String Quartet survived its

transplant to brass quintet sur-prisingly well, but Weber's Clarinet Quintet was rather less successful. The combina-tion of brass and a solo woodwind is not a happy one to my ears, but both the sweet-toned fluency of Michael Collins and the remarkable ability of the English Brass consistently to

congested, running through the transcend the traditional limitations of their instruments any real purpose. There was almost made it seem convincing a good deal more substance in ing.

Bjorg will open to the public at covered by a donation and

London's Prince Edward another charity performance Theatre on the Bank Holiday of later in the year. The show, May 5. Malfunctoning of the complex computerised scene-changes has entailed reverting the requiring the requirement of the req

Booker Prize judges

books page. Isabel Quigly, will history of the award that women

be judging this year's Booker have been so strongly repre-McConnell Prize for Fiction. sented on the panel. The short

which has just been announced, list of six titles will be are: Anthony Thwaite (chair-announced in the middle of man), Gillian Reynolds, Edna September.

One of the regular fiction Healey and Bernice Rubens.

### The Christie's sale of Captain of Captain Hatcher's asso-Hatcher's finds from the South ciates in the recovery of the

sought after.

Hatcher had overlooked the cannon from the wreck of the Geldermalsen when he has made his first sortie of its contents last year, but he returned this spring and came up with 148 views, published this spring and came up with 148-64-9.

A rare and valuable King's Messenger badge of the early

A rare and valuable King's Messenger badge of the early tively.

The whole auction has far hammer at Phillips on July 4.

exceeded expectations and prices continue on average at decreed that all such badges five times the forecast. But the should be melted down when gold ingots which came under the messenger's term of office the hammer on Monday night ceased. The rarity of the item did even better, one selling for means that it could sell for the first of the same that it could sell for the first of the same that it could sell for the first of the same that it could sell for the first of the same that it could sell for the same that it could sel

### Theatre

# **NEW YORK**

A Cherus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the sunge are used as andi-tions rather than emotions. (239 6208).

Arts Guide

(239 6300).
Fin Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touching, funny and invigorating play about two oldsters retains its stars, Judd Hirsch and Cleavon Little, who almost conquer the world when they think they are just bickering with each other. (2396300). Big River (O'Neill): Roger Miller's mu-sic rescues this sedentary version of

Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default (246 6220). Philadelphia Story (Arens): Elmor Ranfield, who last directed Peter Ni-

Remein, who have diverse is re-chols's Passion Play here, takes on the Philip Barry American classic about a headstrong debutants whose society wedding draws the press to gawk. (4883300). CHICAGO

Happy Days (Goodman): The Goodman company celebrates Summel Beckett's 80th birthday with the necketts such termony with the playwright's bleak view of the world, interpreted by the Romani-an-born director, Andrei Beigrader. Ends May 11. (4422808). Pump Boys and Dimettes (Apollo Cen-ter): Facetious look at country music and down-home country life with a

# good best and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (935 6160). Cats (Shubert): The national tour has stalled here while the T. S. Eliot lyries and Andrew Lloyd Webber tunes take extra time with an extended and Forde May 21 (972 1710).

run. Ends May 31. (977 1710).

West Side Story. The Japanese version of Shiki Company, Japan's leading musical production company, heat-known for their Japanese Cats. Directed by Keita Asari. Nissei Geinjo, Hibiya. (503 3111; 320 4006).
Fiddler on the Roof: Directed and choreographed by Sammy Bayes, starring Hisaya Morishing as Tevye. This is the acclaimed Japanese production, which with annual revivals makes it Japanese cast capture the

cal. The Japanese cast capture the vivacity of the original better than do most Westerners. Imperial Theatre. Hihiya, close to most hotels. (213 7221).

ohe Performances at most of Tokyo's

Noh theatres at weekends. Details in Tokyo English dailies and Tour Companion at major hotels. Two handy little books, A Guide to Nob and Guide to Kyogen in most hotel bookstores and at some theatres gives summaries of plots.

### LONDON

Lend Me A Tenor (Globe): Fresh and inventive operatic tarce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis

# April 25-May 1

ergetic company in mistaken identity romp, while Verd's Otello carries on regardless. (\$37 1582)
Rowan Atkinson (Shaftesbury): New revue starring mibber-limbed clown with a strong line in scatological satire and rode sketches, many of them reflecting British classroom tyrunnies. (\$79 5399)
Torch Sang Tribogy (Albery): Antony Shee plays Harvey Flerstein's four-hear triptych of the life and loves of a dreg queen fighting for emotional and domestic stability. Truthful playing has the effect of cruelly exposing Figuresian's tackily uneven

playing has the effect of cruelly exposing Fienstein's tackily uneven writing, (838 878). Interpreters (Queen's): Love among the diplomats, according to Ronald Harwood has a superbrule note in the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shedow of a summit between The Soviet Union and Britain. Finent direction by Peter Yates of the West End's best new play of the year. (734 1106). of the West Ern's use the particular the year (7341186).

Lemma (Astoria): A not too critical celebration of the life and music of John Lemon that is enjoyable espectation of the waveled resourceful-

cially for the mu ness of the cest and Mark McGenn's Lennon look-and-sound-alike. (734 4287). Are You Lonesome Tonight? (Phoe-

nich: More musical hagiography
with Alan Bleasdate's Evis Presley
show using flashback and excellent
live recreations of the rock and roll hits to explain how Martin Shaw's the hammer on Monday night reased. The rarity of the item magnificently weeked and flabby did even better, one selling for means that it could sell for King in creased wheet jumpsuit has reached this pretty pass. Explain bullion value, and another for duty was to carry documents the but not strictly for tourists. \$40,756 to Mr Ong. who is one at home and abroad.

# The previews of the musical the producer Robert Fox have

Delaying move for Chess Chess have been postponed by emphasised that apart from the technical problem the piece is scheduled try-outs from today, the show—written by Tim Rice. the show-written by Tim Rice,

Her colleagues on the panel,

the show—written by Tim Rice, The cancellation of a royal
—Ulvaeus and Benny Andersson gala in aid of charity will be

to manual controls, requiring performances and record sales. extra rehearsal time. Both Advance box-office taking so far Trever Num, the director, and total £2.5m.

# Saleroom/Antony Thorncroft

# Hatcher's bonanza

Hatcher's finds from the South China Sea proceeded apace at Amsterdam yesterday, yielding another £363,688 in the morning session, for a running total of £2,922,516, and everything day when a watercolour of a sold. The total is not far off the auctioneers' cautions estimate for the week as a whole, showing what publicity can do in attracting buyers.

Too orice in the morning £12,000.

showing what publicity can do in attracting buyers.

Top price in the morning session was £7,567 for a porcelain-encrusted metal sphere, which was probably a cannon ball which had failen from the deck above, but was so overlaid with marine sediment in 235 years that it was almost invisible. It had been estinivisible. It had been estinivisible. It had been estinivisible. It had been estinivisible at just £600, but since it rural scenes of Helen Allingmanmed up the Hatcher wreck so powerfully it was much sought after.

Hatcher had overlooked telephone for £23,760, as against a top estimate of £12,000.

An attractive scene of a boating party at Cookham by Heletor Caffieri a contemporary. and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate of £162,820 with invisible. It had been estinivisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate of £162,820 with invisible. It had been estinivisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did well, making £17,280 — well above the £10,000 top estimate. The sale totalled £162,820 with invisible in the morning and follower, of Tissot, also did to the follower.

for £21,945 and £14,108 respec-

W. K. Grace N.V.

Dated: April 30, 1986

By: CITEANK, N.A., Trustee

NOTICE

Notice of Redemption

W. R. Grace N.V.

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NOTICE 15 HEREBY GIVEN that pursuant to the provisions of Section 1001 of the Indenture dated as of June 1, 1982, [the "Indenture") among W. R. Grace N.V. (the "Company"), W. R. Grace & Co., (the "Guarantor"), and Ciribank. N.A. (the "Trustee"), the Company has elected to redeem the entire principal amount outstanding of the captioned Notes on June 1, 1986 (the "Redemption Date") at the redemption price of 101% of the principal amount thereof together with accrued interest to the date of redemption.

On the Redemption Date, the Notes shall become due and payable upon presentation and sattemed thereof together with all tempartured coupons appetraining thereto (a) at the Corporate Trust Office of Cabank, N.A., 111 Wall Street, 5th Floor, Corporate Trust Services, New York, NY 10043 or (b) subject to any laws or regulations applicable to such payments in the

York, NY 10043 or (b) subject to any laws or regulations applicable to such payments in the country thereof at the main offices of Cithank, N.A. in London, Brussels, Frankfurt/Main.

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Coupons due June 1, 1986 should be detached and collected in the usual manner.

Coupons due June 1, 1986 should be detached and collected in the usual manner.

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Wednesday April 30 1986

# Disaster at Chernobyl

THE NUCLEAR accident in the or maintenance are not con-Soviet Union is emerging as a fined by national frontiers. Fall-traged of the Ukraine and for out crosses them — luckily the the ideal of the safe and peace-ful use of nuclear energy ing straight from Kiev into East

the reactor at Three Mile of power that now provides one third of the EEC's electricity. torium on nuclear power plant construction in the US and beightened inhibitions towards nuclear energy everywhere. Yet even after Three Mile Island it remained possible to insist that no-one had been hurt by problems in an atomic power sta-tion and that the safety systems had just held.

The disaster at Chernobyl has broken new and fearsome ground. People have been killed. An uncontrollable fire is raging at the power plant. Nuclear fuel has boiled into the atmosphore. Radioactivity has been wafted thousands of miles into neighbouring countries. The dreaded melt-down of the fuel-core, which fail-safe systems are meant to make impossible, has apparently occurred.

### Special case

There was a lack of candidness in the early stages of the emergency at Three Mile Island and this secrecy, even if due mainly to disorganisation and uncertainty, did the US nuclear industry's image no good at all. Yet it was nothing compared with the official obfuscation that has surrounded the events in the Ukraine. It took the atmospheric sensors of the Scandinavian countries to blow the whistle, and even then Moscow did not come clean.

As the fire in the reactor has taken hold, the Soviet Union has been driven towards an openness born of desperation. Sweden and West Germany have been asked if they know how to fight such a thing. But this call for camaraderie and cooperation comes far too late. Anyone with doubts about nuclear power has noted that a government guaranteeing nuclear safety has first tried to dissemble and then had to admit its impotence. The Soviet

Union this time. Who next?
The Soviet Union is of course a special case when it comes to lack of honesty and this was a special reactor, part of the function of which was to produce for the many advantages of plutonium for military uses, nuclear power. It is going to But this makes the disaster require a rapid mastery of the only a more extreme example crisis at Chernobyl and very of a general truth. The safety open discussion of its special of nuclear power stations is governed by national rules and engineering customs, yet the tically acceptable consequences of faulty design the western world.

around the world.

The failure in March 1979 of fear also undermines a source

The International Atomic Energy Agency is dedicated to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity. Yet the main thrust of its activities is to prevent the proliferation of nuclear weapons rather than to raise the safety standards of nuclear plants around the world.

Nice though it might sound. there is no question of the IAEA's 112 members empowering the agency to become a global nuclear safety inspecto-rate. Even if the industrialised nations could reconcile their very different approaches to reactor design, it would be a military-civilian hybrid such as Chernobyl that remained offlimits to the agency and made a nonsense of such a systemic answer to the threat.

Yet just as this disaster promises to demolish old frontiers of secrecy and ideology by demanding an international hunt for a solution, so it should greatly reinforce the readiness of the nuclear-power nations— and the USSR in particular—to be open with each other on civilian nuclear matters and to use the IAEA as a clearing house for approaches to nuclear safety.

### Open discussion

Chernobyl is moreover a dramatic test of Mr Gorbachev's good intentions. Will the traditional Soviet aloofness and kneejerk secrecy prevail, both with-out and within Russia? Or will there be a new openness, reflecting the way nuclear energy has become vital for the western regions of the Soviet Union, just as it is for western Europe, and the great importance of sustaining public confidence in it?

So far, this test has not got off to an encouraging start, The Chernobyl accident appears to have made a reality of the "worst case senarios" that nations must accept if they opt causes and implications for nuclear power to remain politically acceptable in much of

# The oil price threat to coal

MR IAN MacGREGOR, the accept a sharp erosion of its National Coal Board chairman, did his best yesterday to play down the consequences for his industry of the collapse of oil prices. Customers, he remarked, should realise that there was no possibility of a "melt down" at the NCB which, he said, would henceforth be known as Pritish Coal (the sort of name Recent analysis by the London). British Coal (the sort of name that inspires hopes of privatisa-

In spite of the closure of 27 collieries which could no longer produce profitably, a 20 per cent reduction in manpower and a substantial improvement in productivity, British Coal's feature citil does not look up. in productivity, British Coal's future still does not look untroubled. While the NCB has been struggling to achieve a cost base which would have generated profits in 1984-85, the world economy has moved on: the price of oil has fallen by about 50 per cent. The challenge now is not merely to about 50 per tent. The char-lenge now is not merely to match the productivity of foreign coal producers but to remain complicities against other scurces of energy.

The fall in the oil price has accentuated an old problem: how to ensure that coal is today's output. treated as far as possible like an ordinary business. Most in-dustries—from textiles to electronics — frequently face changes in the price of competing products. To stay profitable, they have to respond flexibly to changing market

The UK coal industry, how-ever, will remain insulated from commercial realities until its biggest customer, the Central Electricity Generating
Board, is given more freedom.
The CEGB should be able to
The charmen domestic coal,

hetween domestic coal, foreign coal and oil on their economic merits, which are cient pricing would not prevent presumably price and security of supply. There is nothing wrong in British Coal pointing out that petroleum is a finite resource and that its price is bound to rise; this is a consideration any energy con- keep open uneconomic pits or sumer should bear in mind- it could give redundant miners The point is that the CEGB more generous benefits and reshould be able to make an un-training allowances. The least

ing energy sources.

of the Opec cartel provided a temporary breathing space. Recent analysis by the London Business School suggests that the impact of lower coal prices on employment and pit profit-ability would be severe.

If the coal price were allowed to fall to, say £35 a tonne (which, historically, would still be very high relative to the prevailing oil price), a wave of pit closures would be required on the scale of those already achieved. This also assumes no increase in wages in the industry and productivity at the record levels attained in the first quarter of the year. If the price were allowed to fell to price were allowed to fall to £30 a tonne, the LBS calculates that profitable production would be possible only in a few of the new "super-pits": a rump of about 30,000 miners would be maducing only a quarter of be producing only a quarter of

### Explicit subsidy

Such adjustments might not prove necessary even in a free market. In practice, consumers tend to transfer to different energy sources slowly and there is considerable uncertainty about future oil prices. The important point is that the Government should be prepared to let UK coal prices move down freely: this is the only way to ensure that energy consumers—

Such a commitment to effiaction to cushion the social con-sequences of a further contraction of the coal industry. The Government could either give British Coal an open and explicit subsidy to allow it to fettered assessment of compet-ing energy sources. efficient way to help miners would be to allow British Coal

step in the transmutation of uranium into plutonium, something that takes place in every reactor fuelled with uranium. After initial denials that anything was wrong, Moscow was obliged to admit that there had been an accident to a reactor at Chernobyl, north of the the that the Padiation Riev in the Ukraine. Radiation released had been blowing north-west towards Finland and Sweden and, by yesterday, was drifting away to the north of

TEPTUNIUM was the clue

radiation drifting across their country had come from an

accident in a reactor rather than from a nuclear weapon test. Neptunium is a short-lived

When, after the war, Britain

moderated design of plutonium "pile," at Windscale in

The Soviet progenitor of the RBMK is the 5Mw Obninsk reactor, claimed by the Russians as the world's first nuclear power station. It was coupled

to the Moscow grid in June 1954, a year before the UK's much bigger Calder Hall station

Over the next three decades, the Russians developed their

Obninsk reactor in a series of steps—100, 200, then 1,000 Mw.

They have built at least 14 RBMK-1.000 units, first near

Leningrad, then at Kursk, Cher-nobyl and Smolensk, They have also commissioned the first RBMK-1500 at Ignalina, and

talked of plans to expand to a 2,400 Mw unit. The Soviet Union, from the 1950s, planned two arms to its

nuclear power programme, one

based on Obninsk and the

RBMK, and the other on the

advance in step, but the Russians evidently found the

RBMK easier to manufacture, and it drew ahead in installed nuclear capacity. The PWR is now catching up.

But the RBMK is a modular

system, in which the high-pressure core of the reactor is

pressure core or the reactor is sub-divided into a large num-ber of relatively small pressure tubes, instead of a single big pressure vessel, as in the PWR.

The modular design gives the RBMK a high degree of flexi-bility as a plutonium production

To make the purest plutonium,

version of pressurised water reactor, developed initially for its nuclear submarine programme.

produced power.

Russian

By yesterday morning, the full horror was beginning to emerge. The Russians asked first the Swedes then the West Germans for help in fighting a fire at Chernobyl. The Swedes already knew that the radiation they were receiving contained a full spectrum of nuclear fuel ingredients, including uranium,

which suggested a very hot fire. The fuel at Chernobyl is a ceramic, uranium oxide, with a melting point of the order of 2,865 degrees C. It has been fused and then vaporised by a barbeque of thousands of tons of blazing graphite (known as the moderator) forming the core of the reactor. No one in the world so far as is known, has experience of fighting a nuclear fire of this ferocity

Chernobyl is the site of four units of a type of reactor unique to the Soviet Union, designed originally as a dual-purpose reactor to produce plutonium for nuclear weapons as well as electricity. This re-actor is known as the RBMK, which stands for a water-cooled, graphite-moderated system

graphite-moderated system.

The PWR is the dominant reactor in the West and the reactor of choice among developing nations. Britiain has taken the Westinghouse version of this reactor as the basis of its "British PWR" design proposed for Sizewell in Suffolk.

But the PWR has also suffered. But the PWR has also suffered a serious meltdown accident at Three Mile Island in 1979, although no one was injured

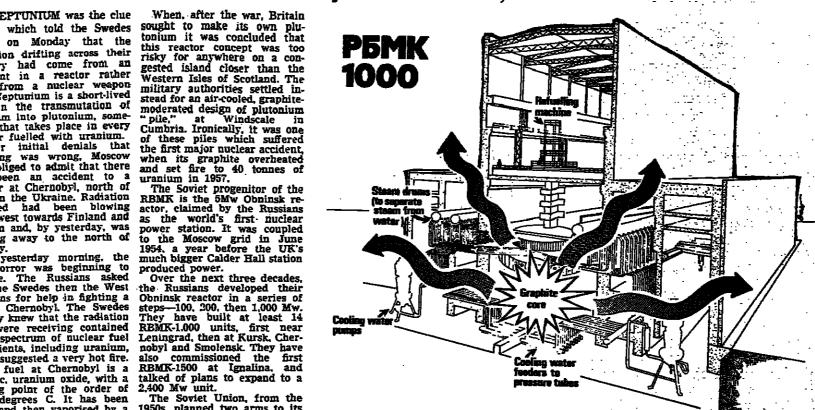
The presidential commission which investigated this accident concluded that "while equipment failures initiated the event, the fundamental cause of the accident was operator error." It pointed out that, had the operators maintained emerthe operators maintained emergency core cooling throughout the early stages of the accident, it would have been merely "a relatively insignificant incident." Instead, seven years later, they are still trying to clean up the radioactive mess.

The RBMK owes its origins to the US plutonium production reactors built at Hanford tion reactors built at Hanford in the far west of the US during the Second World War. They comprised a massive pile of graphite penetrated by rods of uranium, to be transmitted by nuclear fission into plutonium. The whole edifice was cooled by the Columbia River; cold, clean water that flowed through a personal of cooling. through a network of cooling channels in the core.

THE CHERNOBYL MELTDOWN

# Russia's dangerous secret

By David Fishlock, Science Editor



Those I spoke to yesterday about the problem

of fighting a major fire in such

a reactor expressed nothing but horror

at its magnitude. No one had any ideas?

with technical data about their design. Moreover, when in 1984 their nuclear plants for the first time to safeguard inspectors from the IAEA, they made it clear to the chief safeguard inspector that he would not get access to the RBMK.

the easiest kind from which to make nuclear weapons, uranium is "cooked" in the nuclear furnace for only a matter of weeks. The modular design allows each pressure tube to be tapped for plutonium independently. Such a reactor can be operated to produce optimum amounts of plutonium or power, or for some combination of the A decade ago, however, when Britain was discussing the design of a commercial neers led by Mr Jim Stewart and or for some combination of the two outputs.

This facility for making pure plutonium had one important consequence for Russian nuclear policy. As a foundermember of the International Atomic Energy Agency (IAEA), along with Britain and the US, the Soviet Union was always staunchly in favour of discouror for some combination of the Mr Ron Campbell visited the Leningrad RBMK-1000 reactors.

director of Babcock Power, then concluded that the RBMK was "more similar to SGHWR than is any other reactor"; the only major difference being that graphite is used instead of heavy water as the moderator. Otherwise, operating conditions main coolant supply.

Mr Stewart, chairman of the British Nuclear Forum, says he believes the Russians had neglected to make the emergency cooling provisions demanded by the British staunchly in favour of discourfor the primary reactor circuit Its export policy for nuclear reactors permitted the sale overseas of its PWRs, both to East European countries and were almost identical. The tubes and fuel cladding are made of zirconium; the fuel itself is uranium oxide, of about 2 per

(in the case of Finland and Cuba) further afield. But it forbade the export of the RBMK.

Not only has the RBMK not been exported, the Russians training oxide, or about 2 per cent enrichment.

In the RBMK the pressure tubes, each containing a fuel assembly, pass vertically through a pile of graphite bricks. Pumps circulate pure

have not been very forthcoming water up through these tubes to carry away the heat of nuclear fission to the steam-raising were discussing opening plant, as the sketch indicates. The two reactor types ran under almost identical conditions: 70 bar (atmospheres pressure) and 285 degrees C. In the event, Britain abandoned the SGHWR as too expensive to engineer safely.

compared with the alternatives of the British advanced gaspressure-tube type of reactor, cooled reactor and the US called the steam generating PWR. To meet the safety heavy water reactor (SGHWR), standards set by these two, the a team of British nuclear engia team of British nuclear engineers led by Mr Jim Stewart and an incredibly complex weave of plpework to ensure that eningrad RBMK-1000 reactors. Mr Campbell, now managing lirector of Babcock Power, then cooling if it should lose its oncluded that the RBMK was

nuclear inspectors. encountered by the Americans at Hanford was how changes in the graphite pile through irradiation could crush tubes and choke off the flow of coolant.
Graphite when irradiated

stores up energy to a point where it is spontaneously

various Anglo-Portuguese asso

released-the so-called Wigner released—the so-called wigner release. Britain learned to control its effects by regularly annealing the graphite in its earliest experiments.

But it had not learned enough by 1957 to prevent the consequences of a Wigner release of energy setting fire to the graphite core of a Windscale pile.

The fire was finally extin-guished by the decision of Windscale's director of operations to turn hosepipes on the inferno, at risk of cracking the concrete box around the pile, and releasing a much bigger cloud of radiation. The alternative was to let the fire burn Atself-out.

Whatever the cause of the fire at Chernobyl, the scale appears to be much greater than Windscale. The fuel is a ceramic with a melting point close to 3,000 degrees C. It must have melted for uranium to be fall-ing upon Scandinavia. The reactor contains about 190 tonnes of this fuel, buried in 1.700 pressure tubes across the graphite core. It is reasonable

ducts: the detritus of nuclear power production.

The Russians were confident enough of the integrity of their reactor designs to use no pres-sure containment — in effect, a pressure vessel enveloping the entire primary circuit of a reactor — for many years to retain emissions in the event of retain emissions in the event of retain emissions in the event of a reactor accident. Not until they scaled up to 1,000 Mw PWRs did they introduce a containment for this reactor. They have never seen the need for a containment for the RBMK.

So only a relatively filmsy concrete box stands between the blazing reactor at Chernobyl

blazing reactor at Chernobyl and the rest of the world. Their policy is to site the big reactors 40-50 kilometres from major.

population centres.

Those I spoke to yesterday about the problem of fighting a major fire in such a reactor expressed nothing but horror at the magnitude of the problem.

the magnitude of the problem. No one had any ideas.

The Russians categorise a muclear accident of the severity of this fire as a "maximum possible accident." Their safety precautions include arrangements for decontaminating anyone who may have picked up radiation on his clothing or skin fend a contaminated worker was (and a contaminated worker was found in Sweden on Monday. 1.000 miles from the fire). They also include limiting the consumptions of food that may sumptions of food that may have been contaminated. In particular, this means milk and dairy products from cattle which may be feeding on contaminated grass.

They also have arrangements for the distribution of iodine

tablets, the only effective pro-phylactic measure against radiation which can be taken by

The point of the iodine is to saturate the thyroid gland in the neck, repository of most of the body's iodine, and prevent is absorbing radio-active iodine-ISI, an easily vaporised fission product released in a meltdown of nuclear fuel.

of nuclear fuel.

The most urgent priority mast be to extinguish the Chernobyl fire, by means that minimises any further damage. Then the international community will be asking hard questions of Moscow about its obligations to neighbouring states and why it tried to conceal an accident with manifestly. ceal an accident with manifestly far-reaching consequences. Even by yesterday morning perhaps as long as three days after the outbreak — the IAEA in Vienna had been given no information beyond the bare

fact that there was an accident.
For the Soviet Union itself,
it raises the initial question
whether the cause of the fire was a fault in design which might be repeated, such as a failure of coolant to one of the tubes or an accident while fuel was being changed. The answer could have repercussions for an electricity supply system which gets perhaps 6-7 per cent from this one type of reactor, not to mention its role in nuclear weapons.

graphite core. It is reasonable to assume that there is already a substantial pool of molten fuel present — truly a reactor all that Moscow must face is meltdown.

Boiling off this molten pool ment required in nuclear will be the plutonium (melting installations in the West could point only 640 degrees C) and highly radioactive fission pro-

### Best of **British Coal**

With less than five months to go at the National Coal Board, Ian MacGregor yesterday spiked any temptation among his critics inside and outside the industry to write him off as a ame-duck chairman.

Choosing what could be a brief "weather window" between the miners' strike and the storms in the oil market, he announced that the NCB is to operate under a new name, and that henceforth he prefers to be known as the chairman of British Coal. To emphasise the



down it was called National Coal Board"

point, he unveiled the new logo, tricked out in the NCB's present colours of blue and yellow. Since the board produces only British coal, he said, it had greater right to use such a title than, say, British Gas, which sells its customers a lot of Norwegian gas. It had nothing to do with eventual plans to privatise the coal industry. The idea will appeal most to If this were possible, there to charge uneconomic prices the NCB's hard-pressed market-seems no doubt that British and oblige domestic consumers coal would either have to such as the CEGB to pay them.

**Men and Matters** 

has for the past two years been exhorting customers to "switch to British coal." Striking an economical note,

nuclear weapons.

Norman Woodhouse, the NCB PR director, said the cost of the switch had not been estimated but that it would be carried out as cheaply as possible. Lorries would only be re-labelled when they were due for a repaint. And all the existing NCB note-paper would be used.

There would be used.

There would be no change in the NCB's official name, laid down at the time of nationalisation in 1947. Such a change would require legislation.

Even MacGregor, it seems, has his limits has his limits.

### Jordan's style

Bill Jordan, elected yesterday as president of the engineers, Britain's second largest union, smiles with amusement at the way the Fleet Street tabloids pin on the labels. He has got used to being known for "his boyish looks" and as a "50-year-old grandfather."

old grandfather."

The former shop steward. who left school at 15, does not need Saatchi and Saatchi to handle the media. As the rightwinger with the radical ideas he has enjoyed a natural rapport with the press throughout his campaign.

At his Birmingham headquarters he faced the playe of the

At his Birmingham neadquarters he faced the glare of the television cameras to sidestep politely what he clearly regards as trivial questions—his style of leadership, and how he would respond on the Terry Wassa chat show would respond on the Terry
Wogan chat show.
Questioned about his leisure
interests he responded straightfaced: "If the press is to be
believed I vary rarely step foot
outside the Royal Shakespeare
Theatre"—a reference to his

foreign coal lapping round much-publicised love of Eng-Britain's shores. Its advertising land's leading wordsmith.

But before the laughter had died down Jordan was delivering yet another speech about how management had to respond to change, the needs of working people and the challenge of the 21st century. Even his critics acknowledge he will bring a new style to national trade union leadership.

### Still together

Spring was in the air yester-day when Joao Hall Themido, the Portuguese ambassador in London, launched an eight-month programme of events to mark the 600th anniversary of the Anglo-Portuguese alliance.

The oldest unbroken alliance The oldest unbroken alliance in Europe was secured when 500 Welsh longbow men helped the Portuguese rebuff an invasion by Spanish troops in 1386. Its effect was still felt 300 years later when Catherine of Braganza became Queen of England following her marriage to a restored Charles II.

The Portugal 600 programme will have as its highlight a Thanksgiving service on May 12 in St George's Chapel, Windsor, in the presence of the Queen, President Soares, and the Por-tuguese prime minister, Anibal Cavaco Silva.

With Portugal now a member the European Community the European Community
the modern relationship is
mainly about trade. The old ally
was able to boast last year of
a £257m trade surplus with
Britain. The London celebrations will include seminars on
investing in Portugal and the investing in Portugal, and the merchandising in Britain of Portuguese goods.

The commemoration programme nearly didn't make it. Only a last-minute scramble by ciations saved the entire pro-gramme from meeting the fate of the Spanish Armada—which happened to assemble at Lisbon If we had missed this year we would have had to wait another century," said one of the organisers with relief.

### Jets age

I cannot think of a nobler cause, or one further removed from the grubbier aspects of modern living, than the newlyformed Fountain Society (already blessed by the Prince of Wales, its first president).

Rolling up its collective sleeves the society tells me that: a high jet is needed in the centre of Parliament Square, London, "classic, strong, and dramatic;" that the Duke of York's Steps will be nothing without a cascade down three fountains and sculpture; and

without a cascade down three; levels of steps with supportive fountains and sculpture; and that there should be three splendid jets soaring to the skies in Park Lane.

A "cascade rather than a fountain" is proposed in a Byzantine sculpture setting outside the Roman Catholic Westminster Cathedral. Whereas a French classical jet is thought appropriate for Grosvenor Gardens, outside Victoria Station, to provide a suitable backdrop to the statute of Marshal Foch. Thelma Seear, founder of the society says that in Britain, fountains "are the Cinderellas of our national scene."

She adds, presumably to the delight of Prince Charining bids us change all that and revive them for the delight of us all."

With the help of the Civic Trust the Fountain Society is determined that existing British fountains should be restored and new ones created.

The water industry, shortly and new ones created.

The water industry, shortly to be privatised, must be well

### Cover charge

"Labour's Future Policy" is the title of a talk advertised at a Norfolk club. To this someone has added: "Guess who will pay the premium."





THIS weekend's economic summit is the twelfth since 1975 when Messrs Clarard and Schmidt first proposed one. Just how useful are these events?
The first summit, which took

place against the background of the oil crisis, chaotic exchange markets and a loss of authority by the IMF, had a sort of success. It patched up the quarrel between the French and the Americans over the jurisdiction of the Fund in the matter of exchange rates and led to an amendment of the Fund's Articles. It gave a bene-ficial push to the tariff reduction negotiations in Tokyo. The outcome was at least not just a

self-congratulatory communique.
With one exception it is hard to find a single subsequent economic summit which made any changes to the way the world's economies are run. That exception was the Bonn meeting in July 1978, which led the Germans marginally to expand their economy by a fiscal stimulus and the Americans to begin to centrol

their energy consumption.
For the rest the summits have largely endotted the policies of the majority of the participants—the pursuit of strong anti-inflation pro-grammes based on fiscal and monetary restraint, the conser-

# Economic summits: they have their uses, but vation of energy, the of words rather than action. establishment of a system of trading partners by setting. Its interest rates have been All this is a cause for celebrate multilateral convertibility. domestic monetary targets and affected by the dollar; its banks tion. But are we any nearer to doubts. There were no summits in simply sticking to them. If are threatened by LDS (less descended and to reduce exchange markets and to properly the dollar interest rates for celebrate multilateral convertibility. There were no summits in simply sticking to them. If are threatened by LDS (less descended and to reduce exchange markets and to properly the dollar interest rates. Gramm Rudman are not country and the second of the country and the second of the country and the country

Indugate the summers have had have been agnost at any little impact on economic attempt, of which the first Bonn policy, they are widely thought by their participants to have political value. This explains their continued existence.

When President Ford called the 1078 summer he was feeting vision.

point in his political fortunes,
The unspectacular outcome of
summits is for some, a positive
virtue, rather as the failure of
Superpower political summits is
greeted with relief by those who

memployment. mote freer trade. They would though the summits have had have been aghast at any

When President Ford called degree of international superthe 1976 summit, he was facing a difficult re-election campaign and was vulnerable both on influence in the years 1979-84. In the pageantry of the vertical supering in the pageantry of the Vertailles Summit in 1982 to the pageantry of the capture the jaded public recognition that international economic collaboration is not a point in his political fortunes. since the famous meeting in the Plan Hotel last September, there has been a revival of the recognition that international economic collaboration is not a zero-sum game (and that the pursuit of punely self-interested economic policities may not be continual)

optional).

The high-water mark of international co-operation was reached in the 1950s and 1960s.

That period saw the culmination of the work of the wartime architects of the IMF and the generalised floating. It was limport controls and bilateral insulate themselves from the effects of the noticles of their fear an arms control agreement.

The advocates of completely

That period saw the culminafree markets, who believe that tion of the work of the wartime
governments can only damage architects of the IMF and the
economic performance, are GATT in the dismantling of economic performance, are GATT in the dismantling of believed that countries could been able to insulate itse thankful that the annual meet-import controls and bilateral insulate themselves from the these consequences by s ings have been manufacturers trade agreements and the effects of the policies of their to its monetary targets.

There were no summits in those days. The international country 8 would be little handled as a technical matter affected as A's currency decountry and the needs to be done? Despite country B would be little which high dollar interest rates Gramm-Rudman, can we country affected as A's currency decountry and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause; and it knows that on the Americans putting their could rause in ander? Is there and the meetings went unrepreciated and the real competitue adjustment of the huge fiscal house in order? Is there
ported in the world's press. tive position of each was left
This was possible because at unaffected. Output in B was monumental problems.

The method and the real competitue and the real competitue and the method and the real competitue and the second cause it and hope that European governments will perceive that they the political level there was no determined solely by its under-

By Douglas Wass

value of collaboration and no inflation was fixed by the disagreement at all about the objectives of economic policy. The memories of the "beggar my neighbour" policies of the 1930s were still fresh in the minds of Ministers and officials wane. The

The Plaza Hotel meeting and

the Baker initiative suggest that been able to insulate itself from could lead to a collapse of the these consequences by sticking world trading system as we

The Americans have been

monetary targets. Why bother finally brought all the participants to recognise interdepen-dence is the same as the one which worked in the immediate post-war era—fear. Just as Reynes and his American the Baker initiative suggest that these views are now on the wane. The way that the Americans have handled their fiscal policy has led to high real dollar interest rates, a buge and destablising capital inflow to New York and, until recently, an absurdly uncompetitive dollar. Europe has not been able to insulate itself from these consequences by sticking that the status quo real to live (as they one in the 1960s) with internally generated growth.

If these are the requirements, is the summit the right forum for seeing that they are met? In theory the time is more than could lead to a collapse of the world trading system as we easily become stuck in the status quo ripe for political resolution of a set of problems which could easily become stuck in the status quo ripe for political resolution of a set of problems which could easily become stuck in the status quo ripe for political resolution of a set of problems which could easily become stuck in the 1960s) with internally generated growth.

have a contribution to make by real disagreement about the lying potential for growth and brought to the recognition that putting more domestic demand the demand management polithe demand management poli-cies of the European countries have had a free ride on the and Japan (however they are US trade deficit for four years described) impinge critically on and they have to be prepared their own industries.

But the catalyst that has bility for economic growth themselves.

> As for the Japanese, they have got to open their markets and learn to live (as they did

easily become stuck in the Sir Douglas Wess was Permenant grooves of national Finance of 1983.

room for fiscal manoeuvre given his commitment to defence and it needs a complete suspen-sion of disbelief to suppose that Gramm-Rudman is going to do the job for him. The Europeans have ideological objections to fiscal reflation. And the Japanese Prime Minister knows what internal political resistance there is to any government which wishes to promote foreign inroads into the home

So the scenario in Tokyo is probably going to be the familiar one. If the heads of government find time for any-thing other than terrorism, they will probably simply endorse the communique which their assiduous advisers have already written for them. Things have got to get worse before internationally, they will get better.



# Why the oil price fall may be good for the Saudis

SURPRISING AS it may seem,
Sandi Arabians believe that the
racession brought about by the
sharp fall in their oil revenues
will be good for them.

months.

Some foreign contractors have
left the Kingdom, and construction contract work has virtually
halted. A handful of Saudi trad-

The view is striking because it runs totally against the conventional wisdom of Westerners in the Kingdom and of businessmen in the industrialised countries. But there is a strong case for taking it seriously.

to win construction contracts—
and by curbing some of the
extravagance of Saudi society
They maintain, moreover, that
the "pessimists" are wrongly
amounts they order debtors to applying Western standards to Day. their current difficulties and Th that the country will emerge stronger than ever once these and that they are walking to-problems are overcome. wards an unpleasant abock. If problems are overcome.

It is easy, of course, for

foreigners to be sceptical. enough for the budget, due in to think the same and speak the March, to be postponed for five same, often echoing the views

naited. A nandrul of Saudi trad-ing and contracting companies have collapsed, more have had to reschedule loans. The banks, which classify about 25 per cent of their loan portfolios as "doubtful," are making very case for taking it seriously.

The Saudis' argument is that the recession will make the economy more competitive by weeding out the inefficient—including those who relied solely on personal connections to win construction contracts—courts, when judging cases of default on hark loans follows. amounts they order debtors to

They believe that the Sandis are being weak and unrealistic they are charitable and know the area well they ascribe the The Kingdoms' oil revenues have fallen from \$113bn in 1981 to a likely \$16bn to \$18bn in this year. And while there is about \$15bn of non-oil income, from foreign investments and tenertic step towards resolving it, but to be impolite and obstructive. But the Saudis' unity of purpose should not be underfrom foreign investments and But the Saudis' unity of pur-domestic sources, foreign pose should not be under-exchange reserves of \$70bn, and estimated. They are one of the no foreign or domestic debt, the world's most conformist and position was considered bad patriotic peoples. They all seem

that have been made known at has brought about the depar-the top of the royal family. ture of over 1m foreigners, Some foreign contractors have the top of the royal family.

One benefit of the recession should be a curb on the notorious Saudi extravagance. Women may stop buying 20 foreigners in the Kingdom and bottles of scent at a time (two or three for each bathroom), contractors should not buy new by the government has stopped by the government has stopped by the government and the stopped by the government has stopped by th

who exerted an alien cultural influence. In the early 1980s there were more than 3m

by the government has stopped paying overtime and is not equipment for each contract.

The Saudis, meanwhile, say the graphing overtime and is not paying overtime.

### By Michael Field

the recession is helping them to take some non-Saudi to take stock of the enormous changes that have occurred in the lives of their families in the last 12 years. The family and Islam, which are closely bound together, are acknowledged by all Saudis and by the government to be the most important aspects of national life. Anything that strengthens them must be beneficial.

There is widespread relief, for example, that the recession to support. Water, electricity maintenance and malor consumer items.

Part of the change under way in the Kingdom is a structural one. Businesses can no longer gear themselves just to government construction and operation and maintenance work; they are having to provide goods and services to private sector companies and individuals.

Already some businessmen have started to adjust. It is not

which loans to write off, their position would look terrible, but they say that Saudi society is different. They know that even if there are long delays, lished by E A Juffali and borrowers will eventually repay their loans.

Above all, the Saudis say that the recession is helping them to take some non-Saudi trainees. Now, the company changes that have occurred in says, it has 10 times more Saudi

benefit from this in future are not so much the massive petro-chemical and refining companies in the industrial cities of Jubail and Yanbu, but private com-panies that are establishing themselves in foodstuffs, certain types of building materials, machinery maintenance and

and petrol are still enormously difficult to find companies subsidised.

What is happening is that which expanded without must which expanded without much Saudi Arabia is making rather borrowing — which say that inconsistent progress towards they have cut their costs and becoming a "normal" economy improved their profits this —not just an enormously attractive. very cautiously, at new invest-

tive market for Western exporters, but an economy that ment ideas.
The Saudis concede that for might be able to produce goods most of their fellow producers that will compete with imports on its own ground The costs of building and running industries have fallen by
up to half—mainly because of
much cheaper real estate and
with nolitical problems if its this may present the Kingdom with political problems if its rents and a reduction in the cost of labour and labour overfriends become less stable and

misfortunes. But possibly more important the reduction in the Kingdom's revenues should help create the modern diversified economy that has been the government's objective for the last 20 years.

Ten years ago there were economists who argued that for some Opec countries—Iran was the price rises of 1973-74 had been a disaster. They made the economies more dependent on oil revenues, stimulated infla-tion, damaged the competitiveness of new industries and agri-culture by raising costs, and destabilised society.

Now it might be logical that sector companies and indivi-duals.

Already some businessmen a fall in oil prices could have have started to adjust. It is not an opposite effect.

### Expensive to work

From the General Secretary, General, Municipal, Boilermakers and Allied Trades

Sir,—The suggestion by Mr D. G. Franklin (April 23) that it is impossible to persuade people to work for £100 a week or less demonstrates yet again how totally much discussion of this topic bas lost touch with

The fact is that there are already over 3m people in this country working full time for E100 a week or less while daily experience shows that anyone advertising new jobs at this level, or even much lower levels, will be deluged with

Mr Franklin's specestion that people working for £190 gross would be worse off than if un-employed is equally wide of the employed is equally wide of the mark. For a single person £100 gross is equivalent to about £70.02 net, after deducting £9 national insurance, £15.98 income tax and £5 travel expenses. By contrast, a single unemployed person living in a council flat and paying rent and rates of £20 could expect a total benefit income of £49.50; a considerable more realistic a considerable more realistic figure than Mr Franklin's £70. some with higher housing costs would get more but many others, particularly those living with relatives would get very

For a couple with children the gap would be narrower but still significant. Mr Franklin's figures show clearly that he has failed to take account not only of the family income supplement and housing benefit available to a low-income family in work but even of their child

benefit.

The suggestion that "there are some 500,000 vacancies which no one is willing to fill at this moment" is apparently based on a fallacious use of figures. This number may be a reasonable estimate of the number of vacancies existing at any moment but this is essen-tially a measure of the turnover of jobs, not of the number of jobs, if any, which are per-manently unfillable.

It is worth pursuing these points in detail because they help to illustrate a fundamental help to illustrate a fundamental logical flaw in the position of the Government and its apologists. The Government is in fact keenly aware that the vast majority of people in this country are desperately anxious to work at almost any price. This awareness lies behind its policies of depressing the lowest wages in the public sector and of stripping away existing protections for the lowest

### Letters to the Editor

found level of hypocrisy, con-scious or unconscious. | to prove so off-putting to those who grapple with the process Thorne House.

to estima ent companyo

Ruxley Ridge, Claygate, Esher, Surrey. US, Japan and

semiconductors From the Director-General, Electronic Components Industry Federation.

Sir, — Mr Claying Yeutter, US Trade Representative, April 25 writes about the US/Japanese discussions on unfair trading of semiconductors, as did Mr A. Procassini, president of the US Semiconductor Industry Association (March 21).

Both expressed some recognition of the interests of third

countries" in this matter, and this federation finds it strange that such discussions should be taking place between the Ameri-can and Japanese semicoductor industries, as well as Govern-ments, without consultation with "third country" industries,

"third country" industries, such as those of Europe including the UK.

It is no less strange that neither the EEC Commission nor the British Government has received any information on these discussions from the US (or Japanese) Government; in fact the columns of the Financial Times seem to be almost the only source of information about them. about them.

about mem.
This federation, and the European Electronic Component
Manufacturers Association Manufacturers Association (EECA) of which we are the UK member, would appreciate full information about what sort of agreement is under discussion between the US and the Japanese, and we suggest that arrangements should be made for direct participation by Euro-pean and other third country-industries in the negotiations from now on. Richard H. W. Bullock, 7-8 Savile Row W1.

# Bonanza for

paid in the private sector. To splitting and preciosity, the Act read these kinds of rules in a claim at the same time that looks set to provide a lawyers' document which gushes about bonanya for many years to come avoiding prejudice to "selfless both by the effects of taxes and bore immediately, the requires and dedicated "work. The truth many of registration are likely to the draughtsman's benefits demonstrates a pro- ments of registration are likely is

who grapple with the process that at the margin there will surely be many who decide that it is easier not to computerise (or even to revert to manual records) rather than move with the 20th century, computerise their records and get caught in the spider's web of the Act. What a contrast with the attitude in France where the Government has issued 1.5m Minitels free to stimulate computer literacy and encourage the productive use of databases

silly games). T. J. Tarring. St Georges Hill, Weybridge,

and networks (not, be it noted,

Charities and the Finance Bill From Mr F. Hayes

Sir.—In Press releases accom sir,—in Press releases accom-panying the Chancellor's Budget speech we were told that a small minority of charities were abusing the system to the "prejudice of the selfiess and dedicated work of the vast majority of genuine charities and their supporters and their supporters and that the Finance Bill would include measures to check such abuse. Having studied these measures I was appalled to find that for from leaving the vast that far from leaving the vast majority of charities unaffected it is only likely to be a minority that will escape the effects of the new clauses and only then if they are happy to pay pro-fessional fees to monitor their position continuously.

position continuously.

Clause 29 of the Bill penalises "private indirect charities." Among the seven pages of convoluted rules describing the meaning of this term it is prescribed that if five people, quite independently of the charity or each other, put up 25 per cent of its funds in any single year the charity must expend its receipts in that year or lose its tax exemption. Worse still it cannot attract deeds of covenant. not attract deeds of covenant. Appeals therefore which cannot meet their targets in a short time, for example a new

narrow pursuit of imaginary tax avoidance has been allowed to run on out of all politica

F. B. Hayes, Coopers & Lybrand Plumtree Court EC4

From Mr D. Revie

purgatory

Sir,—The address of Dr G. Redman, who wrote (April 23), proposing that the Waterloo and City line should be extended to become the desired through route to the docklands redevelopment area, suggests that he himself does not have to travel on this line to and from work each day—otherwise I doubt he would be putting for-ward that idea.

The Waterloo and City line

The Waterloo and City line, the famous "drain," carries a very large number of people each day in a very concentrated form, compressed into two relatively brief periods. It manages to do this, with just one line each way and relatively short trains, by being a "onestoo" shuttle, arriving empty at the starting point and disporting all at the other one. Thus the passengers can arrive Thus the passengers can arrive at the starting point at the pretise time they know they need to in order to form their orderly lines and then cram themselves onto the trains, in the knowledge that they have four minutes of purgatory and then arrive at their office on time, or — more critically for the point I am making—catch

their desired train home.
Imagine what will be the
effect on these hordes of—
homeward bound — travellers when they arrive at Bank sta-tion to find the trains, one after another, arriving from dockland already full? Enormous delays, lost trains home, frayed tempers, etc. On the journey to work at least both City and dockland workers would be starting equal, but the possible increase in numbers and the need to get out of a packed need to get out of a packed train at two different stops would undoubtedly cause chaos then too. I would predict in those circumstances a mass change to other, less satisfac-tory and convenient, means of transport for City workers

transport for City workers from Waterloo. No, the "drain" works, and works remarkably efficiently considering its antiquated state, simply because it is a "one-stop shuttle" and any attempt to tamper with that would, in my opinion, destroy it. The only possible way I could imagine Or Redman's suggestion perwing of a local hospital when it can take 18 months to get planning permission must about the last minute rush to register under the Data Protection Act is a reminder of what a depressingly British piece of legislation this is. With its hair splitting and preciosity, the Act looks set to provide a lawyers bonama for many years to come.

wing of a local hospital when it can take 18 months to get planning permission must avoid seeking substantial donations, or accumulating their many bears of the purposes of meeting the appear's target, or risk losing their tax relief.

It is particularly galling to read these kinds of rules in a document which gushes about unable to get on/off at each avoiding president at a splitting and preciosity, the Act looks set to provide a lawyers bonama for many years to come. David M. Revie. that the draughtsman's Ashford, Middleser.



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# FINANCIALTIMES

Wednesday April 30 1986



PROPOSALS LIKELY TO EXCEED EEC MINISTERS' BUDGET LIMITS

# Brussels finalises cash demands

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission is today set to finalise its cash demands for a supplementary budget in 1986 and a full budget for 1987 certain to exceed the spending limits fixed by EEC finance ministers.

Angry Commission officials yesterday condemned the budget discipline ceilings laid down by the ministers on Monday as "bearing no re-lation to reality." The figures imply a large real cut in social and regional programmes, which are heavily over-committed as a result of past made by

tial cuts in both farm spending and in the social and regional funds, in order to remain within the limit on revenue from the 1.4 per cent VAT

The 1987 figures, however, are likely to defy the budget discipline rules while remining inside the revenue limit of a 1.4 per cent VAT ceiling (the theoretical formula for member states' budget contributions).

The irony facing EEC budget officials is that their revenue and spending estimates have been hard Mr Henning Christophersen, the Budget Commissioner, will today wise regarded as benefits for the

The Progress Party objects

in the tax on petrol. Its leader, Mr

an issue of confidence, Mr Willoch

has clearly shown that he wanted

his Government to go - "and we are going to help fulfil his wish."

Labour had had a hard time the

Declining inflation means the ceiling in 1987 must be cut back by several hundred million Ecus. The latest revenue estimate of Ecu 39.34bn (\$38.5bn) includes VAT and customs duties and levies, the other main source of EEC income.

At the same time, the falling dollar adds hugely to the cost of export subsidies on farm products. The supplementary budget includes a figure of some Ecu 850m to pay for that, and the Commission admits

propose a supplementary budget European economies; the fall in in-for 1986 already including substan-flation rates and the decline in the level over a full year would add an-

Mr Christophersen's supplemen tary budget will be kept to Ecu 2.55bn, the amount of cash left within this year's VAT ceiling, by prun ing or postponing Ecu 898

farm, social and regional spending. Some Ecu 479m of the forecast farm spending needs will be kept out of the budget, and Ecu 419m from the social and regional funds, according to Commission officials

The finance ministers are calling for an absolute limit on spending of

# UK loses a year's gas supply in revision of reserves

By Dominic Lawson in London

THE BRITISH Government yester day revealed that it had cut its estimates of the UK's gas reserves by the equivalent of a year's consump

The figures, given in the Energy Department's Brown Book - its annual review of UK oil and gas developments – mark a sharp reversal o the previous year's trend. A year ago energy ministers used an up-grading of 6.2 trillion (million million) cubic feet to 64.6 tcf in UK proven and probable gas reserve as justification for its veto of a Brit ish Gas' plan to buy 7 tcf of gas from Norway's Sleipner field.

Now the UK's reserves have bee marked down by 1.8 tcf to 62.8 tcf, in the wake of disappointing results from a number of gas appraisal

Mr Alick Buchanan-Smith, the Energy Minister, said yesterday: "l asked a lot of questions when I saw these figures. But they make no difference to our views on the wisdom of importing gas. We still believe that we can meet domestic demand well into the 1990s from UK produc-

British Gas said yesterday: "We are studying the figures with interest. Our overriding role is to be certain that our customers will have gas when they want it."

The decline in the gas reserves is partly because some reservoirs in the southern North Sea are not as good as they appeared last year Some of the gas condensate fields in the central North Sea also seem to contain less gas than the Govern ment's geologists first thought.

That is purely a technical prob em. But there could be economic problems in actually developing the condensate or "wet" gas fields. If oil companies do not see a major up turn in oil prices, they will not de velop the fields, because the price they expect to obtain from the associated liquids will be seen as too

A detailed analysis of the southern North Sea and the Irish Sea site of the Morecambe Bay gasfield - has at least resulted in an upward estimate of the amount of gas remaining to be discovered there. The least seven new reactors. The At- range is now 7.7 tcf to 29.4 tcf, up the department warns that these are only broad indications and the most likely outcome is in the lower

> The Government's estimate of the UK's remaining proven and probable oil reserves has fallen from 9.75bn barrels to 9.2bn barrels. Successful appraisal of existing fields has added 600m barrels to reserves, but the country is continuing to deplete its oil fields faster

than it can replace them. The Brown Book shows that at the current oil price of \$12 a barrel, the oil industry is making a negative return on its investment in fields which came on stream this decade. These require an average oil price of \$15 a barrel to make a return, while fields now under de velopment will require an average price over the life of the field of \$21

The collapse in oil prices below levels at which North Sea projects are profitable lies behind the halving of many oil companies' exploration budgets, and the shelving of Shell's £2.5bn (\$3.75bn) Gannet

Mr Buchanan-Smith said yesterday that he was concerned at the downturn, but he was yet to be convinced by the oil industry that prowould be made uneconomic by the Government's current fiscal policy. But he said he was willing to discuss the position with the oil

The Brown Book shows last year UK-based companies won a record 80 per cent of North Sea orders worth £2.7bn. Gross capital inves ment in the offshore oil and gas in dustry last year was £2.8bn, com pared with £3.2bn in 1984.

# THE LEX COLUMN

# Commercial paper comes ashore

The absence of a commercial pa per market in the UK has long seemed one of the odder features of the monetary system. The deliberate exclusion, by the banking act. of a mechanism for companies to buy and sell each other's short-term debt has caused any number of financial contortions. Top-grade UK companies wanting to borrow shortterm sterling have found it cheaper to go through the rigours of the US rating system and swap the pro-ceeds of dollar borrowing into pounds than to borrow in the UK. High time, long before yesterday's announcement, that this absurdity was unravelled.

In some ways, it is perverse of

the authorities to have left the change so long. The overall monetary effect of permitting a commercial paper market to develop can. only be to remove banking intermediaries from the flow of liquidity between corporate borrowers and lenders, thus reducing the volume of bank lending. In a period when detailed monitoring of £M3-growth was a preoccupation of the credit markets, the creation of a commercial paper market would have made it easier to hit the monetary targets, avoiding much of the need to whether sterling commercial paper overfund. And without overfunding, can get off the ground is that there there might never have been the need for a bill mountain in Threadneedle Street.

Since overfunding has been relowed for some under-funding. The any case, the spell of broad-money targetting appears to have been broken some time since. The go- begin ahead for commercial paper is, to that extent, untainted by suspicions that it is a means of loosening the stays of monetary policy. Much more reasonable to see it is a perfectly genuine concession to commercial pressures. It is only a pity that the same spirit did not extend, vesterday, to a complete withdrawal of the impost on ADR issues; 1% per cent is less onerous than 5, but

Turnover in commercial paper. however, could be very heavy instrip of the interest rate spectrum more reliable earner. in which borrowers and lenders

it may still be a level of duty which

suppresses a market rather than

taxes continuing turnover.



weak enough to benefit from a hanker's sugrantee But the superheavyweights who have for some time been exploring the slippery territory of borrowing rates below Libor are unlikely to find this convincing Company treasurers and their bankers have both been gearing up for a new regime - in which banks may be agents in the placing more scope for a re-rating. Tar-of paper but have only an incidental mac's are already there. role as lenders.

One standard reason for doubting appear to be more willing lenders than borrowers; there are plenty of companies which would be at least as happy lending to BP as to the placed by an official policy of exact clearing banks. But if lenders really funding, which has in practice alon the new market will presumably bill mountain will unwind. And in fall to a point where enough borrowers come forward to absorb the supply, and a virtuous spiral can

### Blue Circle/Tarmac

The London stockmarket's differing reaction to 1985 figures from Bine Circle (BCI) and Tarmac was more a matter of relief for the former than dissatisfaction with the latter. BCI's 3 per cent increase in pre-tax profits to £116.9m was met al investment trust, so the infusion 716p. Tarmac, which pushed profits proforms balance sheet almost un-up by 23 per cent to £135.2m, saw geared, will presumably cause the only an 8p rise in its shares to 486p. But the historic p/e ratios at 10.6 deed. Diehards are prepared to and 17.2 respectively reveal the argue that there is only a narrow market's view that Tarmac is the

could meet each other - between Li- year. The UK cement market was consolidate its grip on the existing bor and the rate on acceptances. Acpoor and BCI suffered extra districeptances are, furthermore, a highbution costs as two new plants were
structure is a simply dazzling maze ly developed medium for those cor- slow to come on stream. The rise in of partial holdings.

sterling hit translation of overseas profits, 80 per cent of the total, despite a change from year end in av-erage rates. US profits would have been down even in dollar terms but for the Atlantic Cement acquisition half way through the year. Memo and Chile performed well but care ings from these are still regarded is low quality. Tarmac had the benefit from US acquisitions made in 1984 to help the quarry products divi-sion, but the 44 per cent gain in housebuilding profits was all its own work. While Tarmac cut its net debt, BCI's borrowings rose as did fears of a rights issue.

Low interest rates and a pre-election spending boom should mean a porate borrowers whose name is strong couple of years for building companies, BCI's UK cement business will at last break out of years of heavy spending and tough condi-tions. Tarmac will get a boost from the oil price fall in its blacktop business. Both should show profits growth of around 20 per cent in 1936, though again Tarmac may have the edge. BCI shares have

### Liberty Life

TransAtlantic Insurance Holdings is an odd sort of name for a company which invests not just in insurance and traces its parentage not across the Atlantic but to Johannesburg. Liberty Life, which owns 75 per cent of TransAtlantic, now seems ready to surrender its controlling interest in return for a public quotation which will allow the company to develop its existing network of Financial holdings in the UK. As a first step, TransAtlantic is launching a one-for-two rights issue of preferred ordinary shares which will raise £137.5m and should dilute Liberty Life's interest to about two thirds of the total.

TransAtlantic currently owns about a quarter of both Sun Alliby a 43p gain in the share price to of the new cash; which leaves the geared, will presumably cause the management of both those companies to take a fresh look at their service contracts. But, if TransAtlantic follows the example of its South African parent, it may diversify into

Where people like to work

# Oslo Government faces crucial vote

BY FAY GJESTER IN OSLO

NORWAY appeared to be heading ing (parliament) debate that this midnight. The Labour members fithe 157-member Storting. So far for a change of government after a time they would be voting with the nally decided, however, that the neither of the two - Christian decision by the main opposition La- opposition. bour Party to vote against the emergency package of economic mea- particularly to one of the Governsures proposed by the Conserva- ment's proposals - for an increase tive-led minority coalition.

Mr Kare Willoch, the Prime Min-ister, had warned that his govern-proval of a petrol tax increase into Mr Kare Willoch, the Prime Minment would resign if the package was defeated. The vote was not expected to be taken until late in the The prospect of Labour's return

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to power sent share prices plunging on the Oslo stock exchange, continuing Monday's decline. A further NKr 3bn-NKr 4bn (\$435m-\$580m) was knocked off share values.

The two parliamentary representatives of the small right wing Prog- al. ress Party, who usually vote with the Government, thus giving it a age by Labour's parliamentary majority, said in yesterday's Stort- group lasted from 8pm until almost

The decision to confine European

anti-terrorist action to the Euro-

pean Community put fresh limits

on WEU influence. Ministers de-

ain, France, Germany, Italy and the

Benelux countries to treaty ar-

rangements from the early 1950s -

as an important body for co-ordinat-

ing European security. However,

declined recently.
Yesterday's decision came after a

rorism in the last 10 days, should co-ordinate European policy on the

issue. The two-day WEU meeting

was described yesterday as cordial

with the main discussions covering

East-West relations and European

**Britain reduces** 

The new rate, which is to be ap-

plied retrospectively to shares converted into ADRs on or after March

19 this year, should ensure that

there is no diminution of overseas

The 5 per cent tax on ADRs an-

nounced in the budget has never been applied. Instead a 1 per cent

charge was imposed as before the

budget amid expectations that the

balance would be collected after the

interest in British shares, Mr Law-

tax on ADRs

Continued from Page 1

mentary assembly.

previous day reaching its decision to reject the coalition's proposals,

which had been amended to include provisions, such as tougher taxation of share dealing profits specifically designed to win the party's approv-

Monday's discussion of the pack-

changes did too little to shift the burden of extra taxation - needed to offset the fall in petroleum revenues - on to the country's wealthiest citizens. They claim that incomes inequality in Norway has grown under the coalition's five-

year rule, and that it is now time to redress the balance. After that verdict, Mr Willoch repeated that if the vote did go against his Government, he would resign and advise the King to ask Labour's leader, Ms Gro Harlem Brundtland, to form a new cabinet.

Ms Brundtland has said she is willing to accept that responsibility. but points out that it will be impossible for Labour to govern unless it gets at least passive support from one of the two junior partners in

Democrats or Centre - has indicated that it would provide such sup-Should a minority Labour gov-

ernment be appointed, and prompt ly defeated, a possible successo might be a mini-coalition of the Christian Democrat and Centre parties, with passive support from either or both the Conservative and Labour. ● Mr Arne Treholt, the Norwegian

former diplomat and politician, last year convicted of spying for the Soviet Union and Iraq, was present as a spectator when Norway's supreme court yesterday started hearings of his appeal against the 20year jail sentence he received from a special tribunal of seven judges there is no jury, in a Norwegian

### WEU rejects Moscow asks for assistance moves to Continued from Page 1 fight terrorism

stricting information about the inci-dent. Mr Kenneth Baker, Environ-By Bridget Bloom in Venice FOREIGN and defence ministers of ment Secretary, said the Russians the seven-nation Western European had been asked to supply full de-Union decided yesterday that their tails. He and Mrs Margaret Thatchnewly revived organisation was not er, the Prime Minister, both sought an appropriate forum for co-ordito allay fears that British nuclear nating European moves to combat power stations might be vulnerable

 The disaster at the Chernobyl nuclear power station could scarcecided two years ago to revive the organisation - which commits Brit. writes Patrick Cockburn.

Fast development of big nuclear plants, each with an ultimate capacity of 4,000 Mw to 7,000 Mw, is at the centre of Soviet investment in energy west of the Urals over the next five years and is bound to be enthusiasm for the enterprise has affected by the destruction of the reactor in the Ukraine. The very high speed with which

short discussion in which there was the nuclear programme was being unanimous opposition to the creapushed may have contributed to the tion of a WEÜ group to co-ordinate disaster. In 1984, Mr Peter Neporanti-terrorist policies and actions. Proposals for such a group had been made by Mr Jean-Marie Caro, ozhny, the Soviet Minister for Power and Electrification, said: "Such power stations are very economical president of the WEU parliaand can be built in the immediate vicinity of a city because they do The ministers decided that the not emit smoke and are totally EEC, the foreign and home ministers of which have both met on ter-

Soviet nuclear power specialists

the House of Commons for re- have echoed the same theme that in "Mr Neporozhny was asked by nuclear energy for civil use is riskfree. "Over the 31 years that passed since the first nuclear power unit went into operation there have not been any serious accidents at Soviet nuclear power plants," wrote two members of the staff at the In-

to similar accidents. The decision to expand the nuclear power programme was taken ly have come at a worse moment for in 1984 when the Soviet Union produced its energy programme for the next 20 years. The Soviet Union was then using some 2.5m barrels a day of oil in its power stations. The plan was to save oil by substituting gas and by rapidly increasing the

number of nuclear power stations. In the European part of the country, studies showed that a kilowatt of electricity produced from nuclear power stations was much the cheapest. East of the Urals, cheap coal from open-cast pits and associated gas was the most economic

stitute of Nuclear Power in Moscow

Some 40,000 Mw of nuclear energy were to be added between 1986 and 1990 on top of the 23,000 Mw already in place.

an interviewer two years ago at the start of the present spurt of nuclear plant construction. He denied having "any delusions on this score" Will the Chernobyl disaster affect the nuclear programme? The in-

vestment made is already very large. Over the next 10 years, 30 nuclear power stations are to be built. In 1986 some 7.500 more megawatts of electricity from nuclear plants are to be produced, which means at ommash plant, which was originally meant to produce eight reactors a year in serial production, has never come up to expectations but is still thought to be producing half of the range.

about three reactors a year.

That programme, which has absorbed so much Soviet capital investment in 1980s, will be almost impossible to change and difficult to modify. Although the raw materials such as oil, coal and gas are ready fully used and are, in any

available as fuel as well as plentiful hydroelectric power, they are alcase, in the wrong part of the country, in the sparsely inhabited Sibeready in place.

The new programme created electricity to be transmitted comically to the great industrial cities of the West. euphoria' replacing the oil euphor-

# ENI warning after return to profit

Continued from Page 1

a debt of \$125m on July 19, when the Bank of Italy refused to support the lira and let it fall nearly 20 per Italian market by natural gas. cent against the dollar.

Mr Reviglio, an economics profesthe early part of this year, and the fall in the dollar, would cut margins of oil produced abroad, and reduce Italy. It should, however, improve the economics of downstream operations in Italy. The chemical sector would benefit from cheaper raw Finance Bill received royal assent. | materials.

L15,986bn at the end of 1985. On its foreign exchange operations, ENI now try to step up its efforts to inturned a 1984 loss of L479bn into a crease its oil and gas production and to 16bn in the 1990s. profit of L206bn in 1985, despite a both in Italy and overseas, to make loss of L32.8bn on the repayment of its downstream operations more businesslike and competitive, and to step up the penetration of the

sor who has been chairman of ENI tion to the possibility of buying hysince early 1983, said that the fall in drocarbon reserves from other enthe oil price to about \$10 a barrel in ergy companies in order to improve Italy's control of its energy supplies. It wanted to have its own production of 19m tonnes of crude a the value of oil and gas produced in year by 1988, compared with the present 12.7m tonnes, the chairman

The group intended to step up up from L2,346bn in 1984 to production capacity of domestic gas L2,883bn in 1985.

Mr Reviglio said that ENTs energy division, which had sales of L35,014bn in 1985, made a net profit of L1,707bn against a profit of L1,238bn on sales of L34,336bn in 1984. Profits had been made on upstream operations but the result of downstream operations was "generally negative." ENTs coal operations had made a bigger loss than in

ENI's three engineering subsidiaries, Snamprogetti, Saipem and Nuovo Pignone, made a total net profit of L170bn in 1985, compared with one of L128.5bn in 1984. Sales were

North Sea project.

industry.

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# World Weather

Africas	C	18	64	Edouburgis	F	11			r F	9	48	Rode Ja	C	26	7
Amsterdam	F	12	54	Face	S	18	64	Needs	S	37	99	l Rame	C	16	6
Athens	S	22	12	Florence	Č	18	61	Mebourse	C	14	57	Satders	C	17	6
Sebrain	S	31	88	Frankfurt	F	20	68	Mexico City		_	_	San Francis	20 S	8	4
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# China's leaders suffer twin blow

Continued from Page 1 viewed, and senior ministers have pan and the Soviet Union recorded down and a cut in 1981 and 1982. warned that provincial officials even larger rises. must not hesitate to stop or sus-

pend projects." Diplomats are agreed that a slow-down was necessary this year to trade volume this year will be for 1985 and 23 per cent for the first stabilise the economy, but are di-\$56.8bn, down on the trade minis-half of last year. In the first quarter vided on whether the brakes have try's calculation of 1985 trade at of 1986, industrial production rose been applied too hard. Some feel \$59.21bn and well down on the only 4.4 per cent. that the restraints are needed to State Statistical Bureau's 1965 estiprovide a calm climate for the intro- mate of \$69.79bn. duction of more reforms, while others are convinced the economy is the oil price slump has hit China This is a crucial year for the re-

losing momentum. eign banker said. The end of the trade and foreign-exchange use. Oil several serious problems, including boom will be felt by most of China's export earnings, which last year ac-widespread corruption and inflatrading partners, as it will certainly counted for about 25 per cent of ex- tion, are countered, the pragmatists mean a sharp drop in import port income, fell 30 per cent in the may be forced to make economic growth - West European countries first three months of this year. scored a 25 per cent average increase in trade last year, while Ja- between the present trade slow- that reform has gone too far.

Import curbs are likely to be nomic restraints have already protough. The economic planning min-duced a sharp fall in industrial out-

The trade figures also show that and "digestion."

On the domestic front, the eco

Officially, the Government has called 1986 a year of "consolidation"

harder than the Government had forms initiated by Deng Xiaoping "The boom times are over," a for- expected, forcing another review of and his fellow pragmatists. Unless concessions to conservatives within Comparisons have been drawn the leadership who are concerned

لا مكذا من الإمل

# Switzerland

case. If we had not known that before, the Swiss reminded us of it last month when, by a solid three-to-one majority, they rejected their government's referendum proposal that they join the United Nations.

A few days later the de-

join the United Nations.

A few days later the defeated government, motivated at least partly by a wish to repair the damage it felt the UN vote may have indicted on iswitzerland's reputation, took the extraordinary course of ordering the banks to freeze the assets of Fertinand Marcos, the deposed Philippines president, and his family.

Its action reminded the world of another Swiss particularity, their banking secrecy. The banks feared that this time

The banks feared that this time it was the Swiss reputation for handling the funds of world investors with privacy and security that would be

They claimed angrily that the government had acted very precipitately and set a dangerous precedent. The new regime in Manila should have followed the established pro-cedure in applying for legal.

putting Swiss banking under stress in many directly practical ways. Innovations in the form of dual currency, swap-tied and equity-linked issues introduced for one of the world's richest part the bond market, are forcing the National Bank to review its few remaining regulations.

7

# — a special case

The economy is thriving. Industrial performance has recovered with the revival of world demand, though questions remain about Swiss competitiveness in world markets. But industrial and commercial openness to the world and a traditional political aloofness are proving hard to reconcile

By William Dullforce, Geneva Correspondent

recover monies suspected of having a criminal origin, the banks arrued.

The UN vote and the row over the Marcos fortune show how the Swiss are trying to reconcile their sovereignty with the exigencies of an increasingly interdependent world.

The emergence of a global, deregulated financial market is putting Swiss handless.

The arguments in favour of commune would somehow be piolated by joining the 159-nation club in New York. They paign before the national stake, impeccable. More and more decisions directly impinging on Swiss interests and affecting its future were being taken in as primitive, as an evocation of international organisations to which Swiss representatives short-sighted agostical agostic in the Gemeinde or commune would somehow be piolisted by joining the 159-nation club in New York. They paign before the national stake, impeccable. More and more decisions directly impinging on as primitive, as an evocation of international organisations to which Swiss representatives short-sighted agostic. had no access or at best observer status.

There was also the moral argument. It was simply wrong

development projects such as Europe's Esprit and Eureka programmes and even the US "Star Wars" programme. Swiss industrialists fear they may be cut off from leading-edge technologies.

soldiers to their neighbours.

The rational and moral arguments for UN membership crashed on the rock-hard conviction of the Swiss citizens that their right to decide their own affairs in the Gemeinde or their right to decide their own affairs in the Gemeinde or

as primitive, as an evocation of a parish pump mentality and as short-sighted egotism. It was certainly an expression of in-nate Swiss conservatism.

Even on the industrial front Periodically, the outside world particular nature of the services. The world arguably can describe authorities hard to ensure Swiss earned a living by selling the Swiss ability to maintain that they do not remain isolated from point government-financed effective and ruffianly peasant cial oddity.

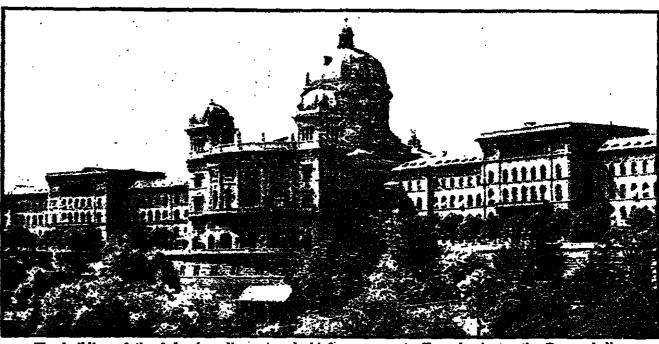
The country's perpetual neutrality was the issue on which the UN referendum campaign focused. The government's opponents claimed that UN membership would impair that neutrality.

Today Switzerland represents the interests of the US in Cuba and Iran, those of Iran in South Africa and Egypt and those of Britain in Argentina, among many other similar assignments. Whenever conflicts break out, we assume a neutral position which enables us to offer our good services, says Mr Edouard Brunner, Secretary of State at

the Foreign Ministry.

He argues that these good services would still be sought after Switzerland became a Simple descriptions are probably wrong. The UN vote and the case of the Marcos funds can fairly be put in the context of yet another small country ing as an example that current struggling to adjust to swiftly worldwide acceptance of the humanitarian services provided humanitarian services provided by the International Committee of the Red Cross with its all-Swiss administration could weaken if Switzerland became embroiled in arguments within

the UN.
The world arguably can de-



The building of the federal parliament and chief government offices dominates the Berne skyline

### Economic performance and prospects

(Change in percentage from previous year except for Treasury nd yield and unemployment rate) Monetary indicators: Monetary indicators:
Central Bank monetary base
Treasury bond yield ......
Trade-weighted value of the
Swiss Franc .....
Gross Domestic Product:
Private consumption ......
Investment in buildings .....
Investment in equipment ...
Exports of goods and services ..... 8.5 Imports of goods and ser-Wages and salaries .....

\* Preliminary estimates. † Forecasts.
Source: Economic Research Institute of Zurich Technical University new administrations in the for Switzerland as a special case

The argument for Swiss banking secrecy as a special case is more difficult. The opportuni-ties it offers for laundering funds acquired through criminal acts, or by the diver-sion of public money into the coffers of political dictators, have been highlighted again by the Pizza connection trial in Ticino, where those implicated placed Mafia money in Swizz accounts; and by the efforts of

Consumer prices

alleged loot from former pre-Swiss authorities and bankers. over the last few years, have been trying to draw a line through new legislation and international agreements tween what is criminal and what is legally acceptable under the Swiss tradition that individuals have the right to deploy their wealth as they please and in private.

Within Switzerland itself This is a misrepresentation:

The Swiss have not yet made out a special case for their industry. Here they are relying on the traditional virtues of hard work, technical compensations.

Switzerland first in terms of hard work, technical compensations from others' mistakes.

there is dissent about these moves between the big banks, which foresee dangers to their foreign interests, particularly in the US, if concessions are not made as in the insider trading Bill now before parliament, and the smaller banks, whose exist-ence depends on maintaining privacy for the foreign clients whose funds they manage.

The big banks' anger over the overnment's intervention in the Marcos case stemmed from a perception that the government by establishing a precendent for exceptional measures, was breaching the line protecting the remaining core of Swiss hank secrecy.

Bank secrecy is seen and felt by most Swiss citizens as a matter of sovereignty as well as of self-interest; they shielded from government legislation an earlier referendum in 1984. As with Swiss neutrality, the sovereignty embodied in bank secrecy is also linked with a concept of providing a special

If the UN referendum has put an end to any prospect of Switzerland joining that world organisation before the end of the century as least, the Swiss

industry remains vital to the health of the economy and it is the current improvement in as the growth in bank profits which keeps morale high in the country.

Ι

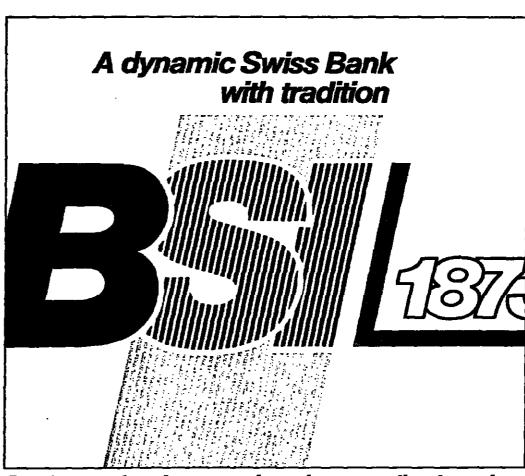
Industry still provided almost 38 per cent of the jobs in Switzerland in 1984 compared with 33 per cent in Britain and only 30 per cent in Sweden, a country with an economy roughly the same size. Services accounted for less than 56 per cent of Swiss employment compared with employment compared with about 65 per cent in both Britain and Sweden. De-industrialisation has further to go

in Switzerland.

The economy as a whole grew by close to 4 per cent last year and, assisted by the fall in world oil prices, it appears to be heading for a further in-crease in Gross Domestic Product of about 3 per cent this уезт.

The doubt is that industry's better performance in 1985 may have been due to the unusual circumstances of a favourable exchange rate for exporters and strong demand from the recovering economies of the industrialised countries.





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# SWITZERLAND 2

# Oil fall a vital stimulus

SELECTED INDUSTRIAL INDICATORS compared with preceding year

### **Economy** WILLIAM DULLFORCE

economy which started at the beginning of 1983 is set to last through 1986 and possibly into 1987 as well, longer than expected in earlier forecasts.

expected in earlier forecasts.

A key stimulus both in real terms and in expectations has come from the fall in the price of crude oil. This has maintained buoyancy in world demand, on which an exporting economy like that of Switzerland is so dependent, and cushioned the negative effect on exports of the appreciation of the Swiss franc.

More importantly, its defla-tionary effect has helped to boost Swiss real incomes and to stimulate the increase in pri-vate consumption which fore-casters agree will this year re-place exports as the crucial growth element.

"Our general feeling about the economy is that we do not have any big problems," a gov-ernment economist says without smugness. His view is echoed in the latest survey by the Organisation for Economic Co-operation and Development, which could find no imbalances in the Swiss economy requiring correction.

orrection. Inflation is not expected to exceed 2 per cent on annual average this year. Employment is growing and the number of jobless is less than 1 per cent of the labour force. Capital outlays, which accelerated sharply last year, are now forecast to flag less than expected in 1986. The current account of the balance of payments showed a surplus equiva-lent to well over 4 per cent of gross national product last

year.
Switzerland's comfortable economic prospects can be interpreted, by the OECD economists for example, as virtue rewarded. By sticking to a consistent anti-infationary policy based on a restricted money supply and not over-reacting to changes in circum-

reacting to changes in circum-stances, the authorities have kept open the path to medium-term economic growth.

One has to look hard for possible shadows over the medium-term outlook. Could the one-time impact of the fall in oil prices on the consumer price index be disguising a stronger underlying inflationary trend in the domestic economy? trend in the domestic economy? Industrial performance has improved markedly and overall company earnings were sub-stantially better last year. Among the big concerns which had been evoking concern Sulzer returned to the black in 1985 and resumed dividend payments while Oerlikon-Buhrle has just won a crucial order from Canada for the new air-defence and anti-tank missiles in which it has invested heavily. On the other hand, Dr Fritz Leutwiler, the new chairman, needs time to reverse Brown Boveri's poor profit performance and the management

The question mark over the international competitiveness of Swiss industry has not yet been removed in spite of the stunning comeback of the watchmakers. Last year the Swiss benefited from both buoyant demand in their main trading partners and an unrealistically low exchange rate for the Swiss

changes at Alusuisse have led to the disclosure of unsuspected

Swiss engineering companies

started to restructure and intro-duce new production technologies later than their foreign rivals. Investments in rationalis-ing appear to have been high over the past two years and pro-ductivity has been improved, but the changes will have to be tested over a longer period.

The table on page 1 gives the latest — and most optimistic — forecast from the economic research department of Zurich tachnical majority.

technical university (ETH). It includes a late revision in April, taking into account the fall in the oil price which induced the ETH forecasters to raise their growth estimate for real Gross Domestic Product this year from 2.8 per cent to 3 per cent.

This compares with the 2.5 per cent forecast by the economic research department of Union Bank of Switzerland (UBS) and the 2.1 per cent tabled earlier by the government commission for economic questions. The ETH also estimates GDP growth at 4 per cent in 1985 compared with the government economists' more cautious provisional estimate of 3.7 per cent. ETH's 7 per cent forecast for

the increase in the real trade-weighted rate for the Swiss the 5 per cent assumed by most other forecasters, although its estimate that growth in exports will slow down to 4.5 per cent while imports continue to grow at 5 per cent is more in line with the others. Some uncertainty surrounds

the effect of the appreciation in the Swiss franc. Last year the share of exports to the US in the total value of Swiss exports jumped to over 10 per cent from the average of 8.3 per cent recorded in 1980-84 and was a bullish element in the

export performance.
Exports to the US had already started to stagnate in the last months of 1986 parallel

dollar, while growth switched to Europe, mirroring the re-covery there and in particular in West Germany which takes some 20 per cent of Swiss ex-

TOTAL INDUSTRIAL ORDER VOLUME compared with preceding year

ports.

The appreciation of the Swiss franc has followed that of the franc has followed that of the D-mark with only a slight variation: some economists ask whether the real relative strengths of the two economies warrant this close link and raise the question whether the franc may currently be overvalued against the D-mark. There has been no pressure on the National Bank as yet to start looking at exchange rates but some 40 members of parliament have submitted a question to the government

a question to the government on exchange rate development. The implication is that some

The implication is that some unease exists within industry. Wages and salaries are likely to rise by around 5 per cent in 1986 compared with the 2.5 to 3 per cent annually in the last two years. Wage bargaining is decentralised in Switzerland. The trade unions, too, tend in recessionary periods to look for jobs rather than wage increases.

This year—virtue rewarded again—they are likely to get both. About 30,000 new jobs are expected to be created and with inflation pegged to around substantially bost purchasing

substantially bost purchasing power.

The UBS survey found the large retailers planning to expand their capital spending again in 1988 while industrial companies in general anticipated that domestic demand would bring a renewed upturn in order volume in the second quarter following a slight dip in the first three months.

A query can be raised about the Swiss inflation rate. The tight control of the monetary

tight control of the monetary base over the past few years by the National Bank has succeeded in keeping the increase in prices well below countries but the deflation may be less securely anchored than for instance, in West German,
In March the annual inflation
rate fell to 0.9 per cent, largely
helped by a 5.2 per cent decline

in petrol prices during that one mouth alone. No forcasters expect that level to be maintained, even if the 2 per cent increase on an average annual basis for 1986, for which most of them plump, would be deemed to be highly satis-factory in most countries.

However, the ETH break-down of the consumer price development shows that the downward thrust has been stronges in imported goods and services The domestic component, which has a weight of some 70 per cent in the index. has remained consistently above 3 per cent over the past two years and was still at an annual rate of 3 per cent in February.

It would be wrong to high-light such questioning in assessing the present condition of the Swiss economy. The current inflation rate understandably is regarded more as a matter for congratulation than for con-cern. Moreover, other events have shown that the Swiss are making the adjustments needed to put their economy on a sounder basis following the re-

cession of the early 1980s.
The Federal Council. instance, has now lifted its limit on recruitment of staff at the universities, a measure. imposed to tighten public spending and budget discipline. It had become clear, however, that this restriction was preventing the universities from training electronics engineers urgently required by companies striving to modernise produc-tion processes and renew products.

Within a global context, where bigger players dictate, the Swiss have to ensure that their goods and services stay; competitive. For the time being they appear to be successfully restoring their position.

# those of most other European Record volumes of business

### Capital markets JOHN WICKS

THERE ARE still no signs of the expansion in the Swissfranc capital market reaching a limit and after record volumes last year 1986 began with another series of all-time highs. With the currency still strong and stable, the economy

set fair to enter its fourth year of real-terms growth and a 1986 surplus on current account which could rise to over SwFr 11bn, Switzerland remains a major attraction for both borrowers and investors.

In the long-term sector the market is now dominated by foreign issues. Last year the total of new money raised by the public issue of bonds by non-Swiss borrowers jumped by the public orange to 1994 forms one-half over the 1984 figureitself a record to over SwFr 16.7bn. For the first two months of the current year alone, this sum has reached more than SwFr 5.7bn. Following the lifting of the

SwFr 200m ceiling for foreigners' Swiss-franc bond floats last May, an increasing number of borrowers have placed large individual issues such as the recent zero-coupon offers by the Asian Development Bank and Pepsi Company of market's greatest strengths is certificate issues make it likely enjoying adequate liquidity-SwFr 500m and SwFr 400m respectively.

at the end of January when the big banks' underwriting syndicates reduced issue fees and removed bourse-listing commissions for new foreign Swissfranc bonds.

bond business was the major reason for an overall rise in Switzerland's capital exports last year. Foreign borrowings subject to national Bank approval grew by more than 14 per cent to a new high of nearly SwFr 46.4bn, of which some SwFr 4.2bn were in currencles other than the Swiss franc.

Within this total, however, medium-term notes were still predominant and showed a slight increase to SwFr 19.45hn. This volume keeps high pri-marily because of the lively demand on the part of Japanese borrowers.

Latest National Bank figures show that the notes market also began 1986 at levels above the substantial volumes for the same period of last year. All in all, capital exports reached a record figure in the

January-February period, even though there was almost no growth in banks' finance and export loans. In its annual report, pub-lished in Berne on April 25, the

National Bank says the substan-tial volume of foreign borrowings reflects the significance of Switzerland as a turntable for international capital. It points out that a large part of the cor-responding issues are, in fact, also subscribed by foreign investors. For all that, one of the Swiss

the huge demand for Swiss- that 1986 will break all the franc securities on the part of Further encouragement came institutional and private investors at home. The banks alone have securities portfolios of something like SwFr 50bn. Ar the end of 1983, the latest date for which figures are known, Swiss insurance and re-insur-The sharp increase in the ance companies had combined

A particular boost is already making itself feit with the expansion of the country's pension funds, whose total assets are likely to reach SwFr 200hn or more by the end of the century. They have traditionally been major bond buyers.

There is also a substantial domestic borrowing potential on the Swiss public issues market. Last year the newmoney call in the long-term sector rose from SwFr 8.93bn to SwFr 8.94bn on the part of Swiss borrowers (including foreign-controlled or international entitles in the tional entitles domiciled in the country), or close to the 1982 record. This was, however, largely the result of increased bank issues, up to some SwFr 4bn of the overall total.

Public authorities were in no great need of new funds, while industrial companies took advantage of the soaring share indices to raise money through rights issues. In all, new share issues jumped by over one-third to Swfr 2.3bn, their highest level since 1980.

In the first months of this

year the corporate sector has continued to offer large slices of new equity—some SwFr 550m worth in January and February alone, or as much as in the whole of 1982. The continued health of the Swiss bourses and the flood of new participation-

records here too.

bond holding of about in Switzerland still—despite the SwFr 36bn.

occasional appearance of a occasional appearance of a borrower with low credit ratings—represents something of a seal of quality.

For domestic investors Swiss-

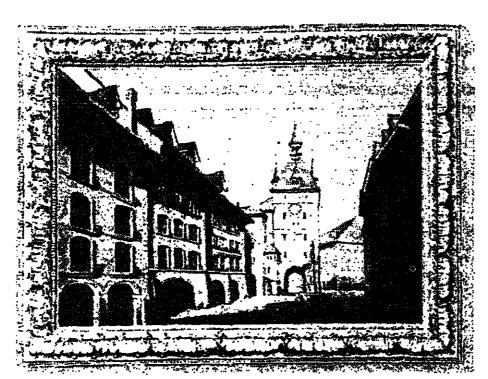
franc engagements naturally obviate any chance of a currency loss. Besides, inflation in Switzerland itself is now down to a more than seven-year low at a March level of 0.9 per cent a year. This means that the real interest rate is high, with coupons of around 4.254.5 per cent for straight bonds of first-class domestic addresses.

Capital-market interest rates, are not necessarily about to decline, however. With Europe Swiss francs at 4 per cent for three months, time deposits of this maturity are still running at 3.25 per cent. In the medium term sector five- and six-year "Kassenobligationen" (the

"Kassenobligationen" (1951)
banks' own over-the-counter
notes) pay 4.5 per cent.
Despite an average yield if,
only about 1.85 per cent, share
also look more attractive in figs.
light of better corporate profits
and dividends. and dividends.
So far this year domestic
bond-market issues have barely

reached corresponding 1985 figures. For the next few months it seems rather publicly that there will be much of significant upswing, since public spending still restrained on the or side and in the corporate sector most companies seem to be As for personal borrowing demand has been increasing

On the investors' side, demand both for banks' advances and seems likely to flourish for a loans and in the important mortlong time yet. There is no gage sector. At the end of 1984 reason to believe that the Swiss total mortgage debt had already franc will become a translation reached nearly SFr 2270n, by risk currency in the foreseeable far the world's highest in perfecture, while the very act of capita terms and a sum which having an issue underwritten has since grown noticeably.



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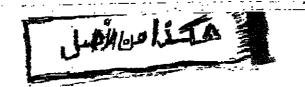
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# Mood of concern about change

**Politics** W. L LUETKENS

ELECTION posters have sprung up on streets and squares of are dragging it into entangle-the Swiss canton of Berne, ments with an unpredictable Most of them are pretty sub-dued, but one does scream for and politics. "and end to fir ancial scandals. to the rape of the environment and to the refugee scandal." A newcomer might conclude

that Switzerland was on the verge of chaos. Far from it: the Swiss are affluent, orderly and content with their lot.

But that poster does hit off something about the mood in the country. Recent political events and above all the rebuff, in a referendum, to the Government's proposal at last to join the UN, bespeak a fear of change lest it be for the worse. They also bear witness to a fear of the outside world typical of many small states. many small states.

A leading Swiss political scientist, Prof. Leonhard Neidhart, has described this phenomenon as "neo-Helvetic fundamentalism," meaning nostalgia for traditional values and for the good old times. Such for the good old times. Such psychological isolationsm contrasts oddly with the financial and commercial integration of the Swiss into the outside world to which they own their affluence affluence.

The three points on that

well-known fears. The reference to financial scandars primarily concerns some local affairs of limited importance. But it also aims at a well-established popular feeling that the Swiss banks have become too hig for the country's boots, that they are described it into entangle.

### Fears

The reference to the environ-ment plays not only upon the German-speaking peoples' well-known fears for their forests but upon a degree of indus-trialisation that is hard to crowd into the limited available crowd into the limited available space in a small and mountainous country. The reference to refugees concerns one of the acutest current political worries: what to do about a stream of people, mainly from Sri Lanka, Zaire, and Turkey, asking for political asylum. It is a fertile issue for the so-called xenophobes — so-called because only a few of them are

really fierce—and had a lot to do with the rejection of UN do with the rejection of UN membership by popular referendum on March 16. One of the main personalities who led the successful campaign against joining was Dr Christoph Blocher, a member of the National Council (lower house of parliament) for the conserva-

tive Swiss People's Party. To Dr Blocher the issue is

poster in Berne all play upon settled for at least 10-20 years Right rather than the Left. well-known fears. The reference unless either the UN or Switzerchange fundamentally. Clearly he expects no such

An interesting fact about Dr Blocher's party, is that though a member of a coalition government that had campaigned for membership — it advised its members to vote "no." But there was no question whatever of it leaving the coalition—nor of the Socialist Foreign Minister, Mr Pierre Aubert, or anyone else resigning when the people rejected so fundamental a proposal by a majority of three to one.

Dr Blocher puts it like this: marriage and enhancing The voters said to the Federal councillors (the seven ministers of the federal cabinet) You clear. It has already led are doing a good job, but in this case we have decided differ-ently from you." And he goes on to cite a frequently-heard paradox that Switzerland does not have an opposition in the usual sense of the word—"our opposition is the electorate."

three to one.

The important point here is that Dr Blocher places himself squarely within the political establishment, not among the protest vote against the system. In modern Switzerland the political pendulum does not swing from one party to another: instead the antire political establishment entire political establishment swings to keep up with changes in the popular mood as ex-pressed by referenda. At pre-sent the swing is towards the

The Federal Government, con-

ists, two members of the Radical Party (moderate conservatives, Continental terms (which has left and right wings) and one member of the Swiss People's Party, is swinging with that trend.

against the UN. Dr Blocher granted asylum since 1980, has also tried but failed to get the people to reject legislation pressures leading to xenophobic greatly liberalising the law of electoral successes in the Canmarriage and enhancing the ton of Geneva and elsewhere.

But the general pattern is clear. It has already led to a tightening up of the procedure for granting or refusing policial asylum to refugees, genuine or pretended, Several deportations of both individuals and properties have led to hitter comgroups have led to bitter com-plaints from church leaders and others, but a further tightening may be expected.

liberal and procedure has been lax. Some applicants for asylum have been in Switzerland for four or five or even more years and have still not received a ruling. A more summary pro-cedure has been introduced,

which has sensibly reduced the influx of applicants. There can be no doubt that

wanted to latch on to Swiss the political establishment, in sisting since 1959 of two Social- prosperity. The basic criterion Nationale Aktion, and has applied in deciding cases is proved too radical in his whether the applicant person- populism even for the party ally faces persecution by the leadership. liberals), two members of the authorities in his homeland— Christian Democratic Party which implies that his lot must which implies that his lot must when he asked the police to

average fellow citizen. trend.

It will not do to exaggerate trated largely in a few bigger that trend. Besides campaigning towns plus 5,200 persons against the UN. Dr Blocher granted asylum since 1980, has

### Majorities

But these successes have been limited. The government parties have retained majorities everywhere. No member of the xenophobic parties, the Nationale Aktion in German-speaking Switzerland, the Vigi-lants in the French-speaking West, has ever been elected to No doubt there will be many hard cases. But in practice in the past has been relatively voters in any of the cantons.

That will not be changed by the poster mentioned in the first are subject to referendum). paragraph. This is intended to promote the interests of Mr Markus Ruf, the enfant terrible of Swiss politics, in his cam-Markus Ruf, the enfant terrible of Swiss politics, in his campaign for election to the cantonal government of Berne.

Unlike Mr Blocher, Mr Ruf abstainers, judging by studies commissioned by worried politicians, feel that all is for the best anyway, so why bother to vote, let alone agitate for change?

many came because they has stationed himself outside

Mr Ruf caught some headlines be worse than that of his issue him with handcuffs, supposedly to arrest and deport The presence of almost 20,000 a few asylum-seekers himself. With such actics he is more likely to frighten off voters than to further his averred political ends. Far from it, he has split his own party. The party's longstanding honorary president, Mr Valentin Ochen, resigned in disgust.

The entire Swiss political system does not lend itself to extremism. The perpetual four-party coalition and the checks and balances of the constant referenda favour slow movement, not drama, duliness, nor histronics.

In fact, half the electorate or In fact, half the electorate or more never bothers to vote. Some are not interested in politics, some feel out of their depth. Others feel that they won't change things anyway (which is odd in a country which is odd in a country when the control of the state of the where even rates of taxation



Pierre Aubert, Federal Councillor (minister) in charge of external affairs who campaigned in vain for UN membership

Size of t	he p	rotest vote	
Percentage shares of poll at	parlia	mentary election 1983	
Establishment parties:	-	Non-establishment parties:	
Government Radicals	23.4	Independents	4.0
Socialists	22.8	Communists and similar	3.1
Christian Democrats	20,2	Nationale Aktion	3.5
Swiss People's Party	11.1	Greens	2.9
Total government	77.5	TOTAL PROTEST	13.5
Other establishment:		44-46-47	
Liberals	2.8	(Another 4.1 per cent	
Protestant Party	2.1	the vote went to splin	ter
		parties.)	
Total non-government . TOTAL	4.9	• • •	
ESTABLISHMENT	82.4		

PROFILE: ELISABETH KOPP



# Holding the hot potatoes

THE FIRST and so far only woman minister in the Swiss Government is holding what potatoes in Swiss politics.

As head of the Department for Justice and Police, Mrs Ropp became a Federal Councillor, as the Swiss call their ministers, through election by the Parliament in 1984 and was only the second woman to suspected criminals by lifting bank secrecy. It is also her job to pick a delicate path between the traditional Swiss policy of granting asylum, and the rising jubic discontent with an influx of refugees, real and pretend.

Requests to lift bank secrecy

Requests to lift bank secrecy have been very much in the forefront with the new regimes in Haiti and the Philippines trying to recover fortunes said to have been spirited away by their former rulers. But more constant and troublesome pressure comes from US attempts to trace money misappropriated or stolen by American fraudsters and thieves.

The law will not allow Mrs
Kopp to help unless an offence
is alleged that is punishable
under Swiss law, Tax evasion,
unless accompanied by fraud. is not such an offence, a fact of Swiss law that infuriates the

### Americans. Solved

Mrs Kopp says: "That is an irritant that we and states with which we are friendly will have to live with." The fact remains that while she has been in office, several disputes with Washington were amicably

Washington were ametably solved.
Mrs Kopp, 49, and with a ready laugh, has won praise from the political centre for her handling of the refugee problem. On the other hand, church groups have accused her of being too tough and the xenophobes say she is too lax.

She is sure, she says, that a She is sure, she says, that a leat majority of Swiss want to give asylum to those who do face personal political persecution in their home country, but adds: "The Swiss do not wish the right of asylum to be

abused.' Her main concern is to plug loopholes since, in the official view, 80 per cent of the applicants for asylum do not face direct persecution at home however unpleasant life may be; are second to speed procedure so that applicants will know. the decision within six months

top rung of the political ladder looks assured.

She worked her way to the top through local politics, including a spell as mayor of her home community at Zumikon, near Zurich. In 1979 she was elected to Parliament as a member of the Radical Party, the party of the industrial and financial establishment.

Mrs Kopp holds a law degree but has never practised. She helped her husband, a lawyer, whom she married soon after

helped her husband, a lawyer, whom she married soon after graduating, and for several years devoted her energies largely to their home and to a daughter, now 22. She still proudly displays her daughter's photograph, and lists family, pets and cooking among her weekend interests after a tremuous week in Berne.

stremous week in Berne.

Though she has never been especially active in women's organisations. Mrs Kopp, regards her election to the Federal Council as a great stimulus to women's ambitions in what is generally considered. in what is generally considered

a male-dominated society.

Her ministry is combing through legislation to find out where it conflicts with the constitutionally-guaranteed

the constitutionally guaranteed equality of the sexes. The question of equal pay for work of equal value promises to be specially knotty.

What of Swiss attitudes to women's equality in general?

"It is increasingly accepted."

Mrs Kopp says, and points out that a share of 11 per cert for women in the Parliament is high and that it is increasing.

Moreover, she says, one woman in a Federal Council of no more than seven members

no more than seven members represents 14 per cent of the country's government—and at the head of a key department at that.

W. L. Luetkens

# he factors hat make Switzerland nanciai market











Swiss Volksbank



Union Bank of Switzerland

Finance WILLIAM DULLFORCE

SWISS BANKERS are reputed for the corporate power they wield in their own economy and their lobbying and for their hard-headed pursuit of profit. They have displayed all these characteristics in the past few

They have continued to badger their government to ease taxes they see as undermining their ability to compete and rate forcast to sink to 2 per cent have exceriated it for ordering and with the firmness of the them, unnecessarily, the banks say, to freeze the assets of deposed Philippines President Ferdinand Marcos and his and investors. All the signs are

They have urged the Banking another good profits performance.

They have urged the Banking another good profits performance.

So what is their worry? Why foreign banks, in the hope of inducing the Januares to open their authorities and getting. inducing the Japanese to open their trust banking and securities business.

The big banks have trimmed their issuing fees to counter the inroads being made into the Swiss franc bond market by banks and have tightened the criteria for list- although in a recent interview ing bonds on the stock ex- Mr Robert Jeker, the managing changes, to keep poor quality

And after all these moves suggesting that they are defending a beleagured fortress, they

The Swiss capital market gives every sign of being in resplendent health, New money raised last year increased by more than 41 per cent to SFr 28bn (\$14.3bn) and Swiss franc bond issues by foreigners at SFr 16.7bn were almost half as big again as in 1984. Prospects for 1986 are also

promising. Even if the gap in interest rates with the West German market has narrowed. Swiss rates will remain low. With the annualised inflation

tical authorities and getting tough with the foreigners after keeping a relatively open market for years before other governments went in for de-

The Swiss bankers' fears are anticipatory rather than actual, director of Credit Suisse, cited figures to show the "loss of stature" of the Swiss financial centre.

The growth in turnover on the

ing over 20 per cent among the New York, London and Frank-big five and in most cases furt Foreign bank assets held in Switzerland had risen 64 times between 1980 and 1983 compared with 294-fold increase in London, Mr Jeker said.

The big three banks—Union Bank of Switzerland, Swiss Bank intend to be among the big players in the emerging global financial market, a role in which many years of operating as "universal" banks should give them an edge.

them an edge.

They have installed themselves in London and New York,
selves in London and permits in Tokyo.

Stamp duty But, the Swiss banks argue,

fiscal shackles at home will in the longer run sap their com-petitive muscle. The big issue is the stamp duty on a wide range of financial transactions which, the banks claim, squeeze their profit margin and is driving away foreign business. In a report to parliament last nonth the government came

closer than it has done before agreeing that something should be done about the stamp duty. The report suggested that charges might be reduced on money instruments with maturities of up to three months. That could open the way for a money market in Switzerland.
The report acknowledged that

removal of the sales tax on physical gold transactions which could have a similar effect in bringing business back from

Nevertheless, the government stuck to its position that in the very laudable interest of balancing the Federal budget any loss of revenue from an easing of stamp duty would have to be replaced with a new.

pressing for securities trading extension of the sales tax to licences as well as trust banking services could have complicating side effects. The banks have scoffed at a suggestion that charges be placed on fiduciary

business and time deposits.

The upper house last month passed a motion which obliges the government to submit a Bill on the tax changes. That does not guarantee that the Bill will be acceptable to the banks. The National Bank has supported the banks' efforts to obtain reductions in stamp

duty, partly at least because it recognises that the stamp duty issue has to be resolved before it can change the rules limitbond issues to banks based in Switzerland. If the duty remained after the removal of the syndication rule, the new issue business could move to London.

The big Swiss banks occupy

### Swiss banking and tinance 707.213 All banks Big Five Foreign banks 87,931 Capital exports: 19,448 10,088 Credits Total 308,337 451,703 Zurieh 167,196 onetary indicators: per cent · per cent

the foreign banks, especially attempt was being made to the American ones, which have set up in Switzerland and have stimulating the market with their innovations.

Some of these innovations are giving the National Bank headaches because they blur the question of whether the foreign banks are involved in primary issuing business, subject to National Bank approval, or only trading on the secondary market which is

The Bank is also uneasy about dual currency issues involving Swiss francs where it has to rely on co-operation from other central banks to Dr Marcus Lusser, the Bank's

again earlier this month that their purpose should be abolished. The Bank's first move could to remove regulations stipulating that medium-term notes issued in Switzerland have to

denomination be SFr 50,000. The question is linked with the Bank's wish that more public information be provided by issuers of notes. Many Swiss bankers would to blame the Government for now like to bury the incident acting precipitately. But the reacted angrily to the govern-

remove them. They anticipated that it would be interpreted abroad as driving another hole through Swiss banking secrecy. The initial reactions from their foreign clients showed the banks' forebodings to have been right. Order was seen to have been

restored in freezing the assets of Mr Jean-Claude Duvalier, the former president of Haiti, when the accepted legal procedure was observed. The new Haiti administration justified its request to the Office for Police Affairs for the freeze by stat-ing that it intended to lay criminal charges against Mr. Duvalier and would be applying for legal assistance from for legal assistance from Switzerland under the law which provides for assistance in criminal cases but not for civil actions or cases of tax

absolute but it does call for evidence that funds can have derived from actions chargeable remain on deposit in the country and that their minimum under Swiss criminal law as well as under that of the foreign country before magistrates will order banks to dis-close details of the funds.

The banks appear to be right over the Marcos fortune. They strength of their reaction has reacted angrily to the govern- probably ensured that the Govment's sudden order to freeze the Marcos assets—supposedly that a prece-because it had been told an Marcos case. that a precedent was set in the

# Move allows more volume

Basle stock exchange JOHN WICKS

BASLE'S 110-year-old Stock Exchange moved house at the start of this year. The new premises, which were officially inaugurated at the end of size of the former bourse and much better equipped. This means that business can now keep on growing, both in overall trading volume and by the introduction of new-

Several years ago it had become obvious that the old Stock Exchange on Fischmarkt. which opened in 1908, was fast approaching full capacity. Securities trading in Canton Urban Basic had risen from SFr 56n in 1965 to SFr 196n in 1975 and went on rising to reach nearly SFr86bn last year. As far as actual transactions are concerned, the number of prices paid more than doubled between 1980 and 1985, putting considerable strain on

the bourse's restricted facilities. Since the cantonal government is responsible for the Stock Exchange, the move required a local referendum. In February 1983, a majority of the electorate agreed to the grant of SFr 6m for the

purchase of the former Baloise

Insurance headquarters on Aeschenplatz and almost another SFr 13m for its conversion into a bourse. In fact, the taxpayers had no cause to feel put upon — the thing like SFr 12m a year from

licensing and listing fees. The Basie bourse, like that of Geneva, may be overshadowed by the giant Zurich Stock Exchange, but it is much more than a second-string regional operation. Ranking at a respectable 14th place in the world ratings, it has long been an innovative organisation with an eye to the worthwhile niche.

With almost as many listings (362 shares and 2.063 bonds at the end of 1985) as Zurich, Basie has set the pace in Switzerland in share futures and recently extended nine-month trading to all eligible shares. It also plays a special role in US securities, being the first European Stock Exchange to begin trading in these every day—at 10 am local time—on the basis of the New York

closing prices. Elsewhere, the Basle-based Swiss Bank Corporation is a leading international specialist Japanese and

is a stately neo-Baroque pile dating from 1910, it is well equipped to carry the exchange into the 21st century. As a particularly important feature, it has three instead of only two trading rings, permitting the simultaneous trading of Swiss and foreign shares. (A separate bond trading ring has been in existence in Basle since 1972; The increase in space means

that each member bank can now have its own telephone room-before, half of the stock-

brokers had to make do with a callbox and more significantly, that new members could now join. An expansion above (), present 20 licensees could be present 20 licensers was pre-haps lead to the admission of haps lead to the admission of foreign banks; a degree of "internationalisation" has long been a dream of the Basis

The much better technical facilities of the Aeschenplatz building have already resulted in improved services. After having pioneered one to three having ploneered one to threemonth forward trading and
extended this for selected
shares to six and nine months
in October, 1934 the Stock
Exchange Chamber was able to
start nine-month trading in all
dividend-entitled shares other
than registered shares and
mutual-fund certificates on the
opening of the new premises.

At the same time forward

At the same time, forward trading began in bank shares.
A bourse information programme was also faunched—the first system of its kind in Europe—by which stock prices are "broadcast" via URF frequencies direct to personal

Realistic

Basle is realistic enough to know it cannot go it alone, however. The main thrust of technological development is taking place in close co-operation with two other major Swiss exchanges, in Zurich and General

Geneva.

According to Mr Dietrich Forcart, President of the Chamber, such joint projects include an improved market reporting system (for introduc-tion this June), electronic transaction processing (towards the end of the year), computerassisted trading . assisted trading - primarily intended for unlisted or rarely traded securities and foreseen for 1987—and the introduction of traded options and financial futures. The first traded options, probably in top Swiss shares, could be launched before the end of this year.

Elsewhere, some Basie stock brokers have been looking at the possibility of creating special venture-capital ex-change. This might be organised in co-operation with Geneva and perhaps even start up this year. The Basie bourse certainly shows no signs of becoming "provincial," despite the relative importance of local industrials in its market capitalisa-tion. Apart from anything else: the Zurich Stock Exchange is hopelessly overloaded and will be until it moves into a new

building in about 1991. Recently, Basle has been benefiting from Zurich's problems. While the SBC naturally nurtures its local bourse, Union Bank of Switzer-land has directed most of its Zurich to conduct their stock-broking activities via Basle, and Credit Suisse gives the green light to branches which preser

using Basle. Over and above this, of course, Basle has its own specialities such as forward

whatever the case, 1986 has kicked off to a rousing start. In January and February the number of prices paid was up 43 per cent and turnover 51 per cent over the same period of

# have just presented share Zurich stock exchange in holders with 1985 accounts quarter century to 1984 had showing profit increases average lagged behing the increase. bond trading could help the an entrenched position here, Swiss banks recover part of the guarding an advantage which business it ceded to London in nevertheless is being eroded by International Politics, Economics, and Culture. From a Swiss Viewpoint.



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Electronics aid

Geneva stock exchange WILLIAM DULLFORCE

THE GENEVA stock exchange is Switzerland's oldest and now newest, having begun to trade from its new quarters in March with the official inauguration still to come in June.

It is the most advanced tech-nologically, although the new Basle exchange will also shortly be installing the electronic floor reporting system which is the first step in the ambitious joint programme for modernising and linking the three biggest Swiss bourses-Zurich, Geneva and Basle.

Since March traders and exchange staff have been step-ping across planks and using the one working scalator to enter the specially-designed four-floor module constructed within the mass of concrete and steel arches currently being completed in the rue de la Confederation

The new building is round the corner from the rue de la Corraterie where in a single room the Geneva bourse struck its first deals in 1850. The new site, between the old city and the lake, has posed some architectural problems.

Its foundations have been doubly reinforced to resist the pressure from the hill, up which the old city climbs. The floor of the stock exchange section is only four metres above the ground water level, necessitating the designing and installation of special damp control and air-conditioning equipment.

Acoustics. lighting and colour schemes have been carefully studied but for the dealers and staff the gain in sheer space is the most important benefit. The 4,500 square metres of floor space give almost eight times as much to play with as in the old building in the nearby rue Petiot that the bourse has occupied for the past 73 years.

Some 500 square metres contain the electronic heart of the exchange. The Apple computers sufficient capacity to cope with the automatic transaction settlement and computer-aided trading systems which will be the next steps in modernising the Swiss bourses—and eventually with trading in options and futures.

The scheme has taken six years from conception and will cost some SFr 60m (\$31m) without the options and futures trading systems. But says Mr Kurt Schneuwly, the exchange's director, Geneva is now joining the technological vanguard among the world's stock exchanges.

The new bourse has three trading rings, one each for Swiss shares, foreign shares and bonds, with space for 22 dealers at each. That is five more than the present number of authorised tr. ders which finish equipping the bourse include four of the five big with its electronic systems.

ciation of Genevan private The bourse commission will probably not decide on the

allocation of the five extra seats before the end of the year. Some applicants may have second thoughts about the economic feasibility of taking a SFr 200,000 and there is a once

only payment of SFr 300,000 for access to the telecommuni-cations but the annual budget for a medium-sized trading operation employing 10 people is estimated to be between SFr 1m and SFr 1.5m. The applicant needs to be sure of reaching a considerable trading volume to achieve a decent return. Turnover in Geneva jumped by 25.4 per cent to SFr 210bn last year. The Geneva exchange is the

biggest in trading after Zurich Like Zurich and Basle, it trades the most important foreign stocks

as well as Swiss shares. Its dis-tinguishing characteristic de-rives from the 120 banks which have a home in Geneva and some 300 registered security dealers whose liveliest business is portfolio management. The bourse has retained the traditional outery system in the trading rings. Suggestions were that the opportunity be taken to go all electronic but, according to Mr Schneuwly, the firm preference for face-to-face shouted ex-

changes expressed by Chicago dealers during a visit by the

Swiss tripartite bourse

mission, confirmed the Genevans view that the traditional system gives the most effective market. Geneva is, however, already perating the new electronic floor-reporting system which provides a dealer at the ring with real-time information on price movements on a screen and which eventually will link

A second screen gives the system operated by Telekurs the information company owned by the Swiss banks, which covers some 130,000 securities quoted on 80 stock exchanges

The automatic transactions settlement system to be run by the three Swiss bourses is due to begin on a pilot scale in Geneva in the autumn. Deals will be settled during the actual with magnetic tapes will be available at the end of each session for the banks to register

Now the Geneva exchange is set to pioneer an unlisted securities market for Switzerland. A project study has been made and demand identified, but the launching of the deuxième marché may be delayed by the need to use the human resources available to

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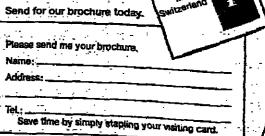
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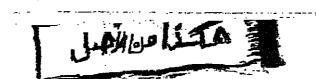


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# Recovery from recession

Engineering JOHN WICKS

THE SWISS engineering industry, badly hit by the inter-national recession of the early 1980s, continues to recover. Last year saw a marked improvement in demand for capital goods, both at home and abroad, which is already being abroad, which is already being reflected in sales and earnings

was made up of foreign con-tracts, making an increase of 7.4 per cent even though there were no really major single orders comparable with those

large state, restructuring, and past ten years, with some 110 the shedding of at least some of production units closing down the industry's unaconomic in the period 1981-85 alone.

Initial nesults are already Initial nesults are already available for industry performance in 1985 itself. Government figures show that turnover in the metals and machine-building sector rose by 9 per cent over 1984 while the VSM says output by the machine-building companies taken alone improved by the east Governments.

reflected in sales and carnings output by the machine-building figures.

Many individual manufacturers are still far from financial health but 1985 has at least put some colour into their cheeks.

According to the Swiss Association of Machinery Manufacturers (VSM), the value of new orders received by 200 of its member companies—which together account for most of the industry, which had been in a industry's output—rose 10.2 per cent to a new record of over SFr 2bn. According to the Zurich-based body Wirtports in this sector jumped 30 per cent to a new record of over SFr 2bn. According to the Zurich-based body Wirtschaftsfoerderung, Switzerland is the most important foreign supplier of machine tools to the Japanese market, accounting in 1985 for almost one-third of Japan's imports in value terms.

orders comparable with those placed in 1983 and 1984. Spanese market, accounting in 1985 for almost one-third of Domestic orders immed by 15.6 per cent to SFr 70n, due 1985 for almost one-third of Japan's imports in value terms. The everall recovery is echoed in this spring's crop of local contracts for a new tank series.

This augurs well for the companies was the equivalent of 7.4 months' output, as compared with 6.9 months a year pared with 6.9 months a year parlier and an all-time low of Group profits fell slightly at

pared with 6.9 months a year ment.

From profits fell slightly at some an all-time low of schindler, however, and the stricken Oerlikon-Buhrle congroup in Swiss engineering had a backlog shorter than its average throughput time.

Order books are still nowhere only of its armaments division will keep the consolidated earnings figure down to its very modest 1984 level.

This year has started encouragingly. "There's a good feelingly, "There's a good fe

In recent months employment has increased slightly (actual unemployment remains minimal at under 1 per cent of the work-force) and most employers questioned in a Government survey said they thought this trend would cominue. Even though this will hardly lead to a major expansion in payrolis, it is yet another indication that things are looking up.

In any case, the re-dimensioning of the industry has been accompanied by a high degree of radonalisation. Since 1975 turnover of the metals and machine building sector has increased by 39 per ceut and recollecter production along by machinery production alone by 52 per cent, despite the substan-tial shrinking in physical plant

### Precision tools

Switzerland has also remained force in the world mechanicala force in the world mechanical-engineering market. Latest figures put it in second place as a producer of textile machinery and precision tools and fourth place in the printing-machine, machine-tool and steam-turbine

In fact, the Swiss manufacturers have an even greater sig-nificance than these country-oforigin comparisons suggest in that an important part of the multinational companies total capacity is located abroad.

trisis but capacity rates are In terms of size, though, casts a sharp rise in orders from today much better than they Swiss engineering seems unwers a few years ago; this is likely to return to its heyday.

Western European customers and a further acceleration in domestic demand as investments rise to meet high capacity use large again. improve productivity.

No figures are yet available for the first quarter of 1986 but it is generally assumed to have it is generally assumed to been a good one; the association is alreardy hoping for another satisfactory year, albeit probably with growth rates at below 1985 levels.

Swiss suppliers admittedly are no longer benefiting from the very strong dollar rates of early 1985. The 35 per cent rise of the Swiss franc against the US currency since February of last year has not been accompanied by a comparable overall strengthening of the exchange rate, though

Of particular importance to Switzerland is the fact that there has been hardly any alteration in the cross-rate to the D-Mark the Federal Republic being not only by far the biggest being not only by far the bagest trading partner in engineering products but also the most powerful competitor on the world market. The virtually automatic adjustment of the Swiss franc following the recent realignment of the European Moneters System shows there reasgument of the European Monetary System shows there is little chance of imbalance in Switzerland's trade relations with neighbouring Community

Generally speaking, Swiss machine-builders appear to be increasing deliveries to industrialised countries faster than those to other markets. This is increasing deliveries to industry in the secondary of the comparisons suggest in an important part of the result primarily of reduced inational companies' total rity is located abroad. It is located abroad. It is located abroad is year has started encourary. "There's a good feeling time industry," says director Dr Martin Erb. official Commission for omic Studies in Berne fore-



of Von Roll

programme, as compared with previous highs of up to 33 per cent. Insurance with the system can still mean the difference between obtaining or losing a major contract. For example, the authorities are still trying the authorities are Still trying to decide whether to support a SFr 1bn order which Brown Bover; could be awarded in connection with the huge Marmara coal-fired power station to Typica. The companies themselves are trying harder in the field of research. While some of them appear to be hancing on to

exports are backed by the ERG Kohn, its chairman, drew par-programme, as compared with previous highs of up to 33 per which has opened up in microelectronics and especially in the electronics and especially in the provision of sufficient education in data processing." He urged what he called a massive improvement in programmes offered by the federal polylechnics and technical colleges. The companies themselves

appear to be hanging on to

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# Savouring the results of an excellent year

Chemicals JOHN WICKS

FOR MOST of last year the Swiss chemical industry had difficulty in savouring its good fortune to the full. A referendum proposal on December 1 sought a virtually total and immediate ban on animal testing, a move which would have dealt a body blow to the countries. try's important pharmacentical and agro-chemical facilities and led the Basic multi-nationals to relocate a substantial part of their domestic activities to

foreign sites. unlikely as the motion As unlikely as the motion tact that 1200 exploits among was to gain a popular majority to some SFr 14.1bn (a rise of 10.7 per cent over the previous more than two to one—the mere possibility of its success was a sobering thought. It had been Swiss-made chemical products and industrial tack that 1200 exploits among the previous to some SFr 14.1bn (a rise of 10.7 per cent over the previous system). estimated that the ban would cost an eventual 13,000 jobs, most of them in the Basic area, and something like SFr ibn in added value. Now that the threat of that

Now that the uncert of that particular measure has been lifted, the industry can take stock of just how successful a year 1985 was. According to the Swiss Society of Chemical Industries (SGCI) in Zurich, which is usually cartious in its choice of adjectives. Overall choice of adjectives, overall results were good to very last year thanks to the

continued economic upswing and the relatively low inflation rates in developed countries.

The society's statistics show z 6.2 per cent rise in chemical output and 8 per cent in turn-over; Government figures, were over; Government lightes were only slightly less positive at 6 and 7 per cent, respectively. Capacity utilisation rates, already excellent, were up again while production costs were kept down by the radical rationalisation policies lannched in the early 1980s.

ments.

Turnover Although no overall figures are available for the sales of Swiss chemicals, an idea of their magnitude is given by the fact that 1985 exports amounted

try turnover doubtless exceeds the SFr 16.5bn mark. Chemical exports account for Chemical exports account for more than 21 per cent of all Swiss merchandise sales to the world market, their surplus over corresponding imports contributing nearly SFr 5.2bn to the country's balance of payments.

In fact, national indicators account for only part of the international significance of the

capacities are today outside Switzerland. The four Basle companies—Ciba-Geigy, Hoff-

Switzerland. The four Basic companies—Ciba-Geigy, Hoffmann-La Roche, Sandoz and the Alusuisse subsidiary Lonzalatone booked combined 1985 has proposed a dividend increase in respect of 1985—from the end of 1984 to the end of last year, the chemical share index of SFr 37.3bn.

The already predominant "expatriate" sector of the industry continues to expand. This is particularly noticeable in the growth of the substantial Swiss presence in US chemical production. In the past 12 months Sandoz, Ciba-Geigy, Lonza and the Geneva-based flavours and fragrances specialist Firmenich have all announced new acquisitions in America; this quite apart from various Swiss joint venture, capacity-expansion and research-surveament investments. growin or the substantial Swiss of the first half of 1985, interduction. In the past 12 months Sandox, Ciba-Geigy, Lonza and the Geneva-based flavours and fragrances specialist Firmenich have all announced new acquisitions in America; this quite apart from various Swiss joint venture, capacity-expansion and research-agreement investments there.

The high liquidity of the Swiss companies, together with their keepness to crack new markets and enter into new technologies, will doubtless lead to a further series of take-

lead to a further series of take-

overs this year.

It remains to be seen whether 1986 will prove quite so profitable for the industry as last year, when the "Big Three" (Ciba-Geigy, Roche and Sandoz) showed improvements in their consolidated net earnings rang-ing from 18.8 to 29 per cent.

Each of the major companies

tion loss in the group's important American earnings but a low dollar by the same token makes US subsidiaries more competitive.

Return on sales, for many years definitely on the modest side in the Swiss chemical industry, was almost back to the levels enjoyed before the 1970s oil output is nearing commodity and the sale of the levels only sophisticated products are nonly sophisticated prod

and the Sevesco disaster of the 1970s and last year's animaliast word in efficiency and rights campaign proved, the efficacy, even after the large-scale re-thinking of a few years ago. "Few industries will change so quickly and radically as the house for the seven and the Sevesco disaster of the sampaign proved, the Basle managers also have to develop a feel for local public opinion; the next case could Roche's chief executive, when he heralded a re-vamping of top

status, as shown by parts of its ceutical activities of its Berne-dyestuff and vitamin pro-based subsidiary Wander based subsidiary Wander (best known as the maker of The urgent and growing need for innovation has long made the major Swiss chemical producers spend large shares of re-structuring was carried out their income on research and in the food business in the US.

At Ciba-Geigy, Dr Alexander their income on research and development—up to 15 per cent of sales in the case of the so-called "biological" sectors such as pharmaceuticals, diagnostics and agrochemicals. More than half of all industrial research expenditure in Switzer.

The industry will still not be ago. "Few industries will opinion: the next case could already be on its way with the high Swiss standard of living and the strong currency, according to Mr Fritz Gerber, about Ciba-Geigy. Generally Speak's chief executive when speaking, though, the Swiss promised Stanley Adams book about Ciba-Geigy. Generally speaking, though, the Swiss suffer less than some other nations from "chemophobia"—



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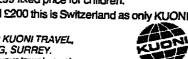
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# Fashion circus lifts exports

# Watch industry

W. L. LUETKENS

THE SWISS always did make good watches. Now they have learnt how to sell them in a world transformed by quartz technology and fierce competition from Hong Kong and Japan Quartz has made good time-

keeping commonplace and cheap. As a high-wage country, Switzerland had to provide something extra when the Japanese almost brought the Swiss industry to its knees in the late

That something extra was style, luxury or, in the lower price range, the almost impudent marketing circus of Swatch and similar watches as fun and fashion wear.

A good watch often used to last a lifetime. Now the makers plastic-cased variety are delighted to find that the real enthusiast may wear several of these new watches simul-taneously. Swatch now plans two annual changes of styling to keep the fashion alive,

Mr Robert A. Hussy, an executive at SMH, the largest Swiss watchmaking concern and producer of the Swatch, sums to the Swatch revolution by saving: "It is so delightfully un-Swiss." Un-Swiss or not, the Swatch and others of its kind have helped to reassert Switzerland's primacy in world markets.

Though total exports last year of 57.3m watches and move-ments lagged well behind the 126m exported from Japan and the 399.5m exported from Hong Kong, by value the Swiss were well ahead: exports of SFr 4.3bn (about £1.5bn) in 1985 as against SFr 3.5bn from Japan and SFr 2.8bn from Hong Kong. (The figures are those of the Swiss Watchmakers' Federation. In the case of Hong Kong they are inflated because the colony imported watches and movements worth SFr 1.9bn in 1985, which were re-

A recent study of the in-dustry, made by the Union Bank of Switzerland, states that their image. the Swiss have regained market share since the near-debacle of

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volume, but 45 per cent by The Japanese share is about 35 per cent in both cases and that of the rest of Asia, including Hong Kong, 50 per cent by volume, but a mere 14 per cent by value.

Behind the figures there are Validate the regires there are several facts worth noting. Unlike Hong Kong, the Swiss have no truck with the very cheap and labour-intensive simple digital watch. Unlike the Japanese they are not committed to very high values. mitted to very high volume production, at the cost of some economies of scale, but gaining greater potential flexibility.

Finally, the figures demon-strate that the Swatch revolu-tion, having taken place at the cheaper (though not the cheapest) end of the market, does not tell the full story of recent events.

### Luxury

To be complete the story must include the luxury watch-makers, who are thriving, and the makers of watches in the middle price range, the sort of thing that used to be given as a 15th birthday present. It retails in Switzerland for SFr 150-500 (about £54-150), compared with about SFr 50 for the Swatch. The medium range makers still suffer from the traditional fragmentation of the industry, though Dr Daniel A. Kellerhals, director-general of the watchmakers' federation, feels that such diversity, pro-vided it is not excessive, gives

the chance to achieve the flexibility called for in an age when fashion and marketing are increasingly important. Besides some very specialised businesses, such as makers of faces or hands, the federation still has 220 members who assemble complete watches, a number that is likely to decrease. Those who survive will have to show inventiveness in styling and technology, but

also in their marketing. Since that costs money, some makers have teamed up with owners of well-known brands of other consumer goods. The watches are sold under the label and through the outlets of these brands and made to fit

This is a variation on the theme of the Swatch which has the 1970s, to the point where established its own brand image they supply 10 per cent of and given rise to a small world exports of watches and industry producing accessories established its own brand image valley, he went on to start a and given rise to a small string of luxury hotels on both

by such as costume jewellery or ness, but as a rule cannot (and sunglasses matching the current Swatch ranges. The Swatch-maker, SMH, commissions the goods and charges for the right to coppy the patterns.

The Swatch craze was the major element in SMH's return to profit. Consolidated profit for 1983 was zero, rising to SFr 26.5m in 1984. Figures for 1985 are not yet available: a forecast of SFr 26.5m was made forecast of SFr 86.5m was made last November, but has been rendered out of date by the decline of the dollar and by the need to rescue one of SMH's businesses, Omega.

But Mr Hussy says that none the less 1985 was a good year. and that the indications for 1986 are good. Of the dollar, he says that "we can just about live" with the present exchange rates. For the Swiss industry as a

whole it is important that SMH should do well, since its ETA division provides about threequarters of the electronic movements needed in Switzerland.

Evidence that the concern, the biggest Swiss watch maker, has recovered from a bad patch came last year when a group of Swiss entrepreneurs, headed by Mr Nicolas G. Hayek, increased their small stake to 51 per cent of the shares and undertook to hold on to them for at least seven years. A group of banks, which still holds about 30 per cent, at the same time wrote off some SFr 230m it had provided to keep the con-cern (then still known as Asuag/SSIH) above water. In the rarefied atmosphere of

mundane events such as reconstruction or flagging sales

up with demand.

One of the most aristocratic, Patek Philippe, gives a sales figure of about \$40m for 1984. Output varies from 10,000 to 12,000 pieces, all hand-made. The price range, in Switzerland, ranges from SFr 5,800 for a plain gold watch with hour, minute and second hands only. to over SFr 500,000 for a piece made to order, decorated with jewels or enamel miniatures. incorporating a perpetual calendar and a repnater and showing the phases of the moon. It may be a stopwatch, too, and will even tell the time of day.

Patek Philippe, now owned by the Stern family of Geneva, claims to be the only watch company that will still decorate a watch for you with an enamel minature of your own choice. So delicate is this work that the artist may have to pull out a hair from her head to paint on the finer detail.

But the main interest of the business is in the perfection of its mechanical movements cal enthusiast fascinated by a works that may contain up to 800 hand-made pieces. About one in three of Patek Philippe's watches for men are mechanical but women seem to be more down to earth: the share of quartz movements is women's watches.

With engaging the Geneva luxury watchmakers, Patek Philippe describes the mundane events such as mystique of the hand-made mechanical watch as an "incredible anachronism." It are hardly known and certainly "incredible anachronism." It never breathed about. They do not talk much about their busi-people remain ready to pay for.



Highly-visible publicity: a huge Swatch watch hangs down the side of a Frankfurt bank

### Swiss watchmakers - key figures

	1982	1985
Susinesses in the industry	727	631
Abour force Watch exports: Pieces (m) Swiss Francs (m)	38,151	31,949
Watch exports:		
Pieres (m)	18.5	25.2
Swice France (m)	. 2.755	
xports of mevements:	2,,00	- O'ALE
Pines (m)	12.7	124
Pieces (m) Swiss Francs (m)		
Swiss Francs (m)	256	220
Exports of non-assembled movements:		
Pieces (m)	.14.5	
Swiss Francs (m)	81	139
Swiss Francs (m) Otal exports (SwFr m) Thief export markets (SwFr m):*	3.502	4,311
hief export markets (SwFr m):*	•	
1. US	450	790
1. US 2. Hong Kong	415	501
3. West Germany	247	360
3. West Germany 4. Italy	321	- 342
5 Presson	250	278
5. France		
o. Sauci Arabia	275	203
6. Saudi Arabia 7. Japan 8. The UK  As ranked in 1985.	135	197
8. The UK	143	195
* As ranked in 1985		

# Labouring under a luxury image

### Tourism W. L. LUETKENS

YOU know that Cosar Ritz, "hotel-keeper to kings and king of hotel-keepers" as Edward VII is said to have called him, was Swiss-born — in 1850?

The youngest of 13 children of a peasant family in the Goms sides of the Atlantic. His name, and the adjective "ritzy" have become bywords for luxury and

high price. the Swiss hotel and tourist industry has long flourished and over winter guests usually under which it has laboured. The Swiss National Tourist in summer. Yet winter, as a tourists thought of Switzerland the industry's gravest problem,
As often as not, the replies the seasonal under-use of canaabroad to find out what foreign included a moan about high prices—though at times it was accompanied by a recognition that much value was offered for

nuch money.

For the Swiss tourist industry and especially the hotel-keepers, that is really the only way towards managing the future. The industry is mature in the sense that it has probably reached the limits of its

### Service

The chief selling point is a breath-taking landscape, but not the novelty associated with more distant destinations. You can add to that high standards of service (though some offices reported the occasional grumble), cleanliness and a reputation for law and order of growing importance in a world plagued by terrorism.

Another grumble was caused by the toll of SFr 30 (£11) which every tourist has to pay if he wishes to use the Swiss motorways. For foreigners it is levied at the frontier. If you're not in a hurry you can avoid motorways and tolls, but be careful to enter Switzerland on a road other than a motorway: otherwise you would be

caught at once.
In addition to the limits to further expansion of the Swiss tourist trade, short-term prospects this year do look a bit difficult after a good 1985.

The Americans, who provide 12 per cent of the visitors but spend 25 per cent of the money left in Switzerland by tourists, will be labouring under the sharp decline of the dollar. The number of overnight stays by Americans may fall off by 10-15 per cent this year according to Mr Helmut Klee. deputy director-general of the National Tourist Office. That would still be well above the levels of the 1970s, since Ameri-

can overnight stays doubled between 1980 and 1985. Mr Klee hopes for a slight increase in visits from West Germany, which could fill the gap given that the Germans were easily the largest national contingent among the foreign tourists who spent 78.4m over-night stays in Switzerland last

year.

He also hopes for a continu-British visits seen in the past

five years.
Asked to explain the trend Mr Klee says he has no obvious explanation but wonders whether the long established interest of the British in Swiss amenities has something to do

The British were among the first to discover the beauties of

the Swiss mountains in the 18th century and were in at the birth of the winter season now an important money spin-ner. In 1864 Johannes Badrutt. of St Moritz, bet a group of English people that they would enjoy the snows of the Enga-dine valley more than a London winter.

It was a bold assertion, how ever obvious it may sound nowadays. If he was wrong, said Badrutt, he would refund the English visitors' travelling expenses. They never claimed the money.

From those beginnings there grew winter seasons which now It is a reputation with which attract almost half the annual visitors to Switzerland. More-The Swiss National Tourist office second tourist season, has confice recently asked its offices second tourist season, has been discounted but not banished cities in hotels and other tour ist facilities. On average, hotel beds in the

tourist areas are occupied on only one day in three of the enough to pay for depreciation and new investment after meeting interest charges and an adequate profit. The Government has recognised that and offers loans for the modernisation of existing hotels at the almost nominal interest of 1

Money is not available for new hotels because the Swiss have recognised that they have done enough building if they are not to wreck the amenities and the environment that are their principal asset.

Mr Klee says that Switzer-land will not be able to share fully in the doubling of world tourism expected by the end of the century: "We do not want to destroy our country for a short-term return on invest-

The implication is that the Swiss will have to concentrate on ever-better quality if they are to stay in the race. The national importance of success is illustrated quickly by a key figure. Swiss income from foreign tourists last year came to a net SFr 3.1bn (after de-Swiss expenditure

Judging by some of the complaints relayed to the national Tourist Office from abroad tourists are especially irritated by the rash of chalets for rent around many resorts.

Much damage has been done but the chalet boom may be over. With many holiday homes occupied for only six or eight weeks a year, chalet prices have passed their peak. Restrictions on sale to foreigners have also helped to arrest the expansion of these often ugly accretion to picturesque villages.

In this area, more than any other, the limit of what is practicable has probably



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Main countries of origin Switzerland	Overnight Change from stays (m) 1984 (%)
West Germany	39.5 + 0.1 14.5 + 0.8 3.6 + 7.1
Netherlands The UK	$\begin{array}{cccccccccccccccccccccccccccccccccccc$
All countries	2.5 + 0.9 74.8 + 0.8

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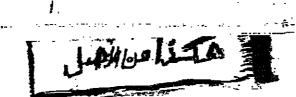
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# SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Wednesday April 30 1986



# Sperry buoyed by computer division

SPERRY, the US computer, defence electronics and aerospace group, re-ported a 7 per cent gain in fiscal fourth quarter income from continuing operations buoyed by strong revenue gains from commer-

In its final fiscal quarter ending March 31, Sperry reported earnings of \$115.3m or \$2.03 a share compared with \$107.4m or \$1.91 a share in the year-ago period. Fourth quarter revenues grew by 13 per cent to \$1.8bn from \$1.59bn. In the year-ago period a \$1.5m loss from discontinued operations made final net earnings of \$105.9m or \$1.89 a share.

For the full year Sperry posted earnings from continuing opera-tions of \$280m or \$4.92 a share, down three per cent from \$288.6m or \$5.18 a share in the year-ago period but up 7 per cent if favourable non-recurring gains in the year-ago period are excluded. Revenues increased by 15 per cent to \$5.74bn

Full year net earnings fell sharp-ly by 84 per cent to \$46.8m or \$2 cents a share from \$286.7m or \$5.15 March showing near break-even. a share in the year-ago period. Virtually all of the decline in net earnings was attributable to the previously reported \$233.2m or \$4.10 a share after-tax loss from the sale of Sperry's New Holland farm equip-

Sperry noted that commercial computer operations achieved revenue and profit gains of 13 per cent and 15 per cent for the quarter and 21 per cent and 22 per cent for the year. Orders rose by 23 per cent in the quarter and 10 per cent for the year but order backlog fell by 17 per

Defense and aerospace operations achieved revenue and profit gains of 14 per cent and 7 per cent for the quarter while for the year revenues rose by 9 per cent and operating profits declined by four per cent. Orders jumped by 39 per cent in the latest quarter and rose by 7 per cent for the year. Commenting on the results, Mr Gerald Probst, Sperry's chairman and chief evention said "We ha

lieve the results of our continuing operations were satisfactory in the Mr Trautiein's decision to step of last year, while sales slid to light of the slowdown in the US down from one of the most difficult \$1.17bn from \$1.21bn. computer industry and some prob-lems in our defence and aerospace shortly after he relinquished the

"Revenue and operating profit gains of more than 20 per cent in our commercial computer operations were offset in part by lower profits of our defence and aero space operations which experi enced a strike and production problems which have been largely over-

# Hanomag to seek listing to aid growth

By Rupert Conwell in Bonn HANOMAG Baumaschinen Produktion und Vertrieb, the reborn West German construction equipment concern plans to become a public company at the beginning of 1987 to increase its ability to tap the country's capital markets for fresh

This latest stage in the rebuilding of Hanomag, after the bankruptcy of the former Hanomag, was re-vealed yesterday by Mr Wolfgang Freimuth, its managing director, amid further evidence of the company's growth since its inception in

According to Mr Freimuth, Hanomag expects to sell about 1,550 machines in 1986, generating a turn-over of about DM 320m (\$148m) compared with DM 255m last year He gave no details of 1985 profit, although the new company earned a net DM 15m in its first business year, between April and December

Orders in hand stand at DM 75m. representing 430 machines, and the pany intends to boost its workforce by 100 from the present 1,200 to cope with demand. Mr Freimuth said Hanomag's share of the West German domestic market for wheel and tracked loaders was 23.6 per

# **Eastern Air Lines** blames fare cuts for loss in quarter

BY OUR FINANCIAL STAFF

CUT-PRICE fares and strike ed. It said it was also hit by a rise in threats sent Eastern Air Lines, the fuel and oil expenses, which large US carrier which is the sub-

share, compared with a profit of quires approval of the US Depart-\$24.3m, or 35 cents, a year earlier, ment of Transportation and East-Revenue slipped to \$1.13bn from \$1.22bn, despite clocking up 8.3bn General Dynamics, the US depassenger miles this time, against ed a 18 per cent decline in first tous tous of the first quarter of the continuing transport to the continuing t

the whole of last year net profit reached \$5.9m, compared with a \$38m loss in 1984 and a record \$184m loss in 1983.

airline, described the latest results tainty over strike threats at the earnings to \$92.7m.

Significant cuts in labour costs would favourably affect the carrier's results for the remainder of costs.

At the operating level there was a loss for the quarter of \$57.1m, against \$78.5m profit a year ago. The yield measured by revenue per traffic mile, dipped to 12 per cent from 13.9 per cent.

Eastern is the second largest US carrier in terms of passengers carri-

pect of a proposed merger with Texas Air, plunging deep into loss in the first quarter of 1986.

For the three months net deficit emerged at \$110.63m, or \$1.62 a than Angust 31. The merger remarks and an angust 31. The merger remarks a commenced of the IN-Department of the IN-Depar

1985.

The loss comes after the airline's operations. The St Louis group inst year of profit since 1979. For ed losses at the recently acquired charges related to the Cessna acquisition.

First quarter earnings from con-Mr Frank Borman, chairman and tinning operations fell to \$70.1m or chief executive of the Miami-based \$1.84 a share from \$83.6m or \$1.98 a tinning operations fell to \$70.1m or share a year earlier on sales up to \$2.1bn from \$1.9bn. In last year's as "disappointing." He attributed \$2.1bn from \$1.9bn. In last year's the setback to industry-wide fare first quarter, earnings from discondiscounting and consumer uncer-tinued operations lifted final net

The group said the fall in earnings was wholly attributable to the Cessna light aircraft business acquired last October. Cessna lost \$17.3m in the quarter including a \$1.6m amortisation of acquisition

The group, which has received a number of large government con-tracts following the lifting of a Pentagon contract suspension in February reported an end-quarter funded backlog of \$17bn compared with \$15Abn a year earlier. The total backlog grew to \$23.5bn from

# Bethlehem Steel chief to retire amid shake-up

BY TERRY DODSWORTH IN NEW YORK

in the latest quarter and rose by 7 guered US steel company which ran per cent for the year.

Commenting on the results, Mr quarter of this year, said that Mr cluding a \$15m charge for anticipateral Charles of the last six years, would retire at the results of the parties of the set of year and chief executive, said: We be the end of May.

post of chief executive to Mr Walter post of chief executive to Mr Walter quarter on depressed prices in the Williams, the former president of industry. Operating losses in the

the group. No successor has been appointed yet.

He will leave the group in the middle of a reorganisation aimed at trying to raise cash through the sale of assets that are not central to Bethlehem's steelmaking business.

pected to receive at least \$300m profitability."

BETHLEHEM STEEL, the belea-during the course of the year from

deficit of \$62.1m in the same period

Bethlehem put the main blame basic steel business amounted to \$36.4m, and in the steel-related segment to \$13.1m, while in the diversified segments operation, the group made an operating profit of \$1.8m

The sale of one of these opera-tions, the Kusan plastics and build-ing products unit, was announced for a total of \$163m. Earlier this year, Bethlehem disposed of Tull said the sale was based on the company's belief that in the near term it must devote its resources to the \$100m, and the company said it ex-

# Nedbank profits fall to R32m at mid-year

BY JIM JONES IN JOHANNESBURG

NEDBANK, the troubled South African banking group, has confirmed rights issue to restore the capital analysts' fears with publication of base which had been badly eroded sharply lower interim profits. In-come and business activity both registered sharp declines in six months to March 31 1988 as man-exercise unless the bank improved ment came to grips with a sharp

gilt and loan portfolio. The first half after-tax profit fell by almost one-third to R32.2m (\$10.3m) from R46.2m in the corresponding year-ago period. The de-cline in business activity was un-derlined by the 15 per cent drop in advances and loans to R9.09bn on March 31 from R10.64bn six months

In the last financial year, which ended September 30 1985, the bank disclosed an after-tax profit of

Two months ago Nedbank parted extendi company, with Mr Rob Abrahamson, its managing director, and sirectors.

its level of disclosure. As a result drop in foreign activity and the ef-fect of large losses in the group's closed operating profit, provisions for bad debts and tax liability.

> At the halfway stage the group earned a consolidated operating in-come of R88.5m from which it has provided R43.3m to cover bed and doubtful debts. As a result the pretax profit was R45.2m. The direc-tors hope the pre-tax operating in-come will total R165m for the cur-

A large part of the bank's prob-lem arose from its policy of borrowing short-term money abroad and extending medium-term loans to South African borrowers, said di-

# SKF hit by losses in US subsidiary

SKF of Sweden, the world's leading bearings manufacturer, suffered a drop of 7.4 per cent in profits in the first quarter of the year despite a modest 4 per cent increase in turn-

Profits (after financial items) fell

to SKr 359m (\$51.4m) from SKr 388m in the same period of 1985. Group sales rose to SKr 5.14bn from SKr 4.95bn a year earlier. The earnings of SKF's bearings division, which accounts for more than two thirds of group profits, dropped 12.7 per cent to SKr 247m from SKr 583m in the first three

months of 1985. SKF said the fall was due to losses by the group's US subsidiary. It claimed, however, that the rationalisation programme being imple mented in the US was beginning to result in increased productivity. It is still negotiating the takeover of TRW's MRC rolling bearing divi-

sion in the US. The group said demand for rolling bearings in Europe continued to improve, but market conditions in the US were unchanged from the

last quarter of 1985. SKF failed to detect any improve ment in its US car components business and decided to close pistonring production at its plant in St Louis.

In its other main business areas SKP showed a small profit of SKr 9m from its steel operations on a turnover of SKr 885m compared with a profit of SKr 8m on a turnover of SKr 895m in the first quarter of 1985. Earlier this month the group announced plans to merge its steel operations with Ovako of Finland into a new company, Ovako Steel, in which SKF will hold a 50

Profits of the cutting tools division were virtually unchanged at SKr 55m, while the components division improved its result by 23 per cent to SKr 48m.

# Sandoz plans further acquisitions

SANDOZ, the Swiss chemicals concern, intends to continue or acceler ate its big acquisition programme according to Dr Marc Moret, the managing director.

On the basis of last year's take-over activity, this could mean ex-penditure of some SFr 800m-SFr 900m (\$444m-\$500m) or more this year. Dr Moret said acquisitions could benefit all divisions. Growth was intended to remain within the framework of existing product

Sandoz proposed a rights issue of more than SFr 217m to enable the

Shareholders will be asked to ap prove a one-for-10 issue of 93,029 registered shares, 5,029 beares shares and 113,199 participation certificates at a price of SFr 1,800 per share and SFr 360 per certifi-

The board will also ask for per mission to issue 100,000 bearer shares and create up to 500,000 par-ticipation certificates. This new equity, which would be without draw ing rights, would serve to back new convertible or warrant bonds or for

other purposes.

An additional 20,000 registered shares, also without shareholders' drawing rights, is intended to be is

sued to Sandoz employees. The board announced it would recommend payment of centenary bonuses of SFr 20 per share and SFr 4 per participation certificate. This is over and above the in-creased regular dividends of SFr 100 (1984: SFr 90) and SFr 20 (1984:

SFr 19), respectively.

Last year parent company carn ings rose 20.4 per cent to SFr 135.3m and consolidated profits by 28.7 per cent to SFr 529m.

Due largely to the stronger Swiss franc, first quarter group sales were down 4 per cent on corresponding 1985 levels to SFr 2.18bn. In terms of local currencies, turnover rose by 14 per cent,

### SOMMER-ALLIBERT PLANS INTERNATIONAL ACQUISITIONS

# Plastics company stretches out

BY PAUL BETTS IN PARIS

SOMMER-ALLIBERT is one of the leading plastic transformation groups in Europe employing 8,000 people with an annual turnover of more than FFr 5bn (\$725m).

It now manufactures a range of plastic products from garden and bathroom furniture to plastic floor and wall materials, dashboards and other products for the car industry
as well as packaging products.

The company has 43 subsidiaries
and a presence in 16 different countries. More than 40 per cent of
group sales are outside France and
Mr. Regressed December the chain

Mr Bernard Deconinck, the chairman, is about to finalise important ents in the US and in China. In North America the group planned to acquire a stake in Domco, Canada's leading manufacturer of plastic floors and coverings, and to open an American manufacturing plant to increase its presence on the American market. In China it is

negotiating to build an industrial plant to manufacture plastic wall But Mr Deconinck's drive in both



the North American and Far East markets follows several years of restructuring the group's French plastic floor and wall covering business. The reshaping followed the merger of Mr Deconinck's Allibert concern with Sommer in 1972. Until then, Allibert had grown

around three core plastic businesses including bathroom products, industrial products for the car industry and container and other packaging products. Sommer was about the same size as Allibert, which also specialised in plastic flooring and textile materials but had fallen behind in investments

leading manufacturers of plastic floors, he said. This renewal effort is reflected in

the FFr 1bn Sommer-Allibert has invested during the last five years to automate and streamline its manufacturing systems, acquire and develop new machine tools and modernise administrative systems. The group is now reaping the cause the group's share capital is fruits of the restructuring efforts, pretty firmly tied up. Mr Decoreporting net earnings of FFr 100m ninck's family holding owns just after a loss of about FFr 80m the less than 30 per cent of the compa-year before. The loss in 1984 reflect- ny but he also has 45 per cent of ed exceptional charges to cover the voting rights.

liquidation of a property business in West Germany. The liquidation of the German property business was the final chapter in the clean out that has taken place at Sommer.

Without the special provisions, the group earned FFr 60m from its operations in 1984. For 1985 sales

The group planned to spend FFr
Mr Deconinck acknowledged that
the merger presented him with a
challenge. But it took 10 years to
make Sommer recover as one of the would include the new ventures in the US and Far East. The group also planned to strengthen its indus-

trial presence in Europe. In the euphoric climate of the Paris Bourse, Sommer-Allibert has at times been mentioned as a possible takeover candidate. But any hostile takeover would be an uphill task be-

# Berliner Bank boosts profits 14% to DM 30m to rise again in 1985

BY LESLIE COLITT IN BERLIN

BERLINER BANK, which took its 14.9 per cent last year to DM 30m margin in the first quarter of this (\$13.8m). An unchanged dividend of year fell to 2.5 per cent.

The bank's Frankfurt subsidiary,

of its shares in public hands with the rest held by the City of West Berlin, might seek to expand further its equity base this year. Dr Dietrich Nebelung, spokesman for the board, said if business contin-ued to develop favourably this year a larger dividend was likely.

The parent bank's balance-sheet total rose 5.4 per cent to DM 13.2bn and that of the group by 7.3 per cent to DM 26.6bn.

BERLINER BANK, which took its interest profits for 1985 rose 4.2 first step toward privatisation in 1984, boosted operating profits by interest margin of 2.6 per cent. The

its oldest, continued to be the most profitable among its West German subsidiaries. Berliner Bank profited from the high growth rate in West Berlin last year, which exceeded that in West Germany

Unlike other West German banks, Berliner Bank placed more in hidden assets, which are non-taxable, than in taxable reserves. Dr Nebelung explained this by noting the bank had high costs and could

# **UAP** expects earnings

report a sharp rise in consolidated net earnings to about FFr 2bn in UAP on the stock market without (\$290m) for 1985 compared with passing new legislation. earnings of FFr 1.34bn the year

The latest earnings rise follows profit increases of 40 per cent in 1984 and the previous year. UAP's turnover rose 15 per cent to FFr 32bn last year from the previous The bull market on the Paris year, which is above the French inparance industry average of about creased the value of UAP's exten-12 per cent.

UAP and the two other large state insurance groups, AGF and GAN, are among the leading candidates for early privatisation by the

L'UNION des Assurances de Paris new right-wing Government. At (UAP), France's largest state-controlled insurance group, is due to of UAP's capital and could initially ched up to 25 per cent of its shares. shed up to 25 per cent of its shares

> bank, saw its financial performance boosted last year by a strong increase in life insurance busin

UAP, which also owns Banque

Worms, the French investmen

sive share portfolio. Gains from the group's different

This announcement appears as a matter of record only.

April, 1986



# Pilkington Holdings Inc.

US\$150,000,000 **Note Issue Facility** (of which US\$100,000,000 is committed)

# **Guaranteed by Pilkington Brothers plc**

Arranged by: J. Henry Schroder Wagg & Co. Limited

Underwritten by:

**Bank of Montreal** 

Lloyds Bank Pic

Nomura Europe N.V.,

J. Henry Schroder Wagg & Co. Limited

Kansallis Banking Group **National Westminster Bank PLC** Paribas Finance Limited

**Sumitomo Finance International** 

**Tender Panel Members:** 

Lloyds Merchant Bank

**Bank of Montreal Credit Suisse First Boston Limited** 

**County Bank Limited** Kansallis Banking Group Nomura Europe N.V.,

**Paribas Finance Limited** J. Henry Schroder Wagg & Co. Limited Sumitomo Finance International

**Schroders** 

US\$250,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL NOTES DUE JANUARY 1997

CITICORP BANKING CORPORATION

Unconditionally guaranteed on a subordinated basis by

CITICORPO Notice is hereby given that the rate of Interest has been fixed at 71/4% and that the interest payable on the relevant Interest Payment Date July 31, 1986 against Coupon No. 6 in respect of US\$10,000 nominal of the Notes will be US\$182.08.

CITIBANK y: Citibank, N.A. (CSSI Dept.), Agent Bank\_\_

US\$400,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL NOTES DUE OCTOBER 1996

CITICORP BANKING CORPORATION ionally guaranteed on a subordinated basis by

CITICORPO

Notice is hereby given that the rate of Interest has been fixed at 71/4% and that the interest payable on the relevant Interest Payment Date July 31, 1986 against Caupon No. 7 in respect of US\$10,000 nominal of the Notes will be US\$182.08.

April 30, 1986, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank.

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Floating Rate Notes due 2000 Notice is hereby given that the interest payable on the relevant Interest Payment Date, May 30, 1986 for the period November 29, 1985 to May 30, 1986 against Coupon No. 1 in respect of US\$10,000 nominal of the Notes will be US\$398.45 and in respect of US\$250,000 nominal of the Notes will be US\$9,961.37.

April 30, 1986. London By: Citibank, N.A. (CSSI Dept.). Agent Bank

**CITIBAN(** 

### U.S. \$500,000,000 CITICORP •

Subordinated Floating Rate Notes Due January 30, 1998 Notice is hereby given that the rate of Interest has been fixed at 7.075% and that the interest payable on the relevant Interest Poyment Date May 30, 1986 against Coupon No. 4 in respect of US\$10,000 nominal of the Notes will be US\$58.96. April 30, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

Wells Fargo & Company

U.S. \$150,000,000 Floating Rate

Subordinated Notes due 1992 In accordance with the provisions of the Notes, notice is hereby given that for the Interest period

30th April, 1986 to 30th May, 1986 the Notes will carry an Interest Rate of 7.1" per annum. Interest payable on the relevant interest payment date 30th May, 1986 will amount to US\$59.17 per US\$10,000 Note.

> Agent Bank: Morgan Guaranty Trust Company of New York London

Wells Fargo International Financing Corporation N.V. U.S. \$50,000,000 Guaranteed Floating

Rate Subordinated Notes due 1996 In accordance with the isions of the Notes, notice is hereby given that for the Interest Sub-period 30th April, 1986 to 30th May, 1986 the Notes will carry an Interest

Rate of 71 ions per annum. The Interest accrued for the above period and payable on 31st July, 1986 will be US\$58-85. Agent Bank: Morgan Guaranty Trust Company of New York

**Continental Airlines** hit by fare discounts

BY TERRY DODSWORTH IN NEW YORK

CONTINENTAL Airlines, the US that fare discounting was continu-

industry-wide fare discounting.

The net deficit of the Houstonamounted to \$13.6m, or 60 cents a quarter. share, against net income of \$15.1m, or 56 cents a share, in the to \$6.5m, or 42 cents a share, same period last year. Revenues in-creased by almost 22 per cent to cents a share, in the same period of

itive environment in the industry during the traditionally slow firstquarter travel season." It warned Automation Systems, rose to \$511m

airline run by the controversial Mr ing into the second quarter.

Frank Lorenzo, made a loss in the The difficulties faced by Contifirst quarter of this year because of nental in the fierce price-cutting

battle now being waged in the US aerospace industry were reflected based airline, the main operating in the results of Texas Air, which subsidiary of the Texas Air Group, also swung into loss in the first Texas Air's net deficit amounted

S442m from \$363m. last year, when the company had Continental said the results were not unexpected, "due to the compet-credit for tax loss carryforwards. Revenues for the group, which also embraces New York Air and CCS

Boeing profits up 35%

BOEING, the world's largest air- ture military and space procraft manufacturer, registered a 35 per cent increase in net profits in the first quarter of this year. The increase was helped by rapid growth in the sales volume of both its commercial and military products. Earnings by the Seattle group jumped to \$148m, or 95 cents a

share, from \$110m, or 75 cents a share a year earlier, while sales leapt to \$3.5bn from \$2.9bn. The earnings advance was even more pronounced at pre-tax level, rising by 41 per cent to \$233m from \$165m. Boeing said the increase had been offset to some extent by an increase in research and devel-

commercial transport aircraft, fu-

grammes, and computing and electronics technology. Deliveries in the quarter rose to

50 aircraft from 48 last year, and the company is expecting to ship a total of 190 units by the end of 1988. Boeing's order book has strengthened, with \$5bn of new orders taken during the first quarter for a total of 75 aircraft. In the comparable period of last year, 23 aircraft were

The new contracts brought the firm's backlog of unfilled orders up to \$25.4bn from \$24.7bn

ordered with a value of Sibn.

Boeing's figures were also helped opment costs. The company has alin the quarter by a rise in interest so been spending more heavily on income, attributable to its improved

All these securities having been sold this announcement appears as a matter of record only.

# **Land Securities PLC**

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£100,000,000

91/2 per cent. Bonds Due 2007 Issue Price 981/s per cent.

J. Henry Schroder Wagg & Co. Limited

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**Deutsche Bank Capital Markets Limited** 

Dresdner Bank Aktiengesellschaft

Lloyds Merchant Bank Limited

Samuel Montagu & Co. Limited N.M. Rothschild & Sons Limited

**Nomura International Limited** 

Salomon Brothers International Limited

**Swiss Bank Corporation International Limited** 

April, 1986



U.S.\$15,000,000 Floating Rate Serial Notes 1988 Convertible into 1634% Serial Bonds 1988

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 30th April, 1986 to 31st October, 1986 the Notes will carry an interest rate of 7%% per annum. On 31st October, 1986 interest of U.S.\$99 03 will be due per U.S.\$2,500 Note for Coupon No 10. The Conversion Interest amount applicable to Notes which are presented for conversion on or before 1st October, 1986 will be U.S.S nil per U.S.\$2,500 Note,

> **EBC Amro Bank Limited** (Agent Bank)

30th April, 1986

U.S. \$100,000,000



Scotiabank The Bank of Nova Scotia

Floating Rate Debentures Due 1993

Interest Rate

71/16% per annum

Interest Period

30th April 1986 31st October 1986

Interest Amount per U.S. \$5,000 Debenture

due 31st October 1986 U.S. \$180.49

Credit Suisse First Boston Limited Agent Bank

# Unocal suffers from bid defence costs

BY OUR NEW YORK STAFF

UNOCAL, the Los Angeles-based The per share earnings are based US oil group, blamed higher interupon 116.3m outstanding shares, est costs and lower crude oil prices down from 173.8m a year earlier. for a sharp decline in first-quarter

\$180.7m, or \$1.04 a share, in the same period last year on revenues down 18 per cent to \$2.28bn from

This reflected Unocal's repurchase of a third of its common stock as Net earnings fell 61 per cent to part of its successful defence in \$70.2m, or 60 cents a share, from fending off a takeover bid last year by Mr T. Boone Pickens. Mr Fred Hartley, Unocal's chair-

man and chief executive, said high-tive factors were partly offset by er interest costs arising from the higher margins on petroleum prod-

wide crude oil prices together ac- expense counted for \$103m of the \$110m decline.

takeover defence and lower world- net sales and lower administrative

Saudi Arabia's "predatory pricing war" posed a serious threat to the domestic petroleum industry and In addition, Unocal said returns the company was taking the neceswere adversely affected by lower sary steps, including capital ex-national gas production and lower penditure cuts, expense reductions nitrogen product sales. These nega-tive factors were partly offset by productivity, to adjust to this ad-

# Tenneco boosted by accounting policy change

TENNECO, the Houston-based conglomerate, announced that it was earnings, last year's first-quarter its oil and gas operations to reflect After the policy change, which in- share.

cluded a restatement of prior year's

\$3.9bn from \$3.7bn. altering its accounting policies for profits of \$63m were altered to a net. Tenneco said it would in future propriate way of measure its oil and gas operations to reflect loss of \$54m, or 46 cents a share. account for its oil and gas business gas exploratory efforts. deteriorating energy prices, writes That compared with net income on a "successful efforts' basis rather The change increased net income this year of \$124m, or 73 cents a than the "full-cost," method, in ac in the first quarter of 1986 by \$20m. cordance with the financial account or 13 cents a share.

Sales rose in the quarter to ting standards board view that "sar-3.9hn from \$3.7hn. cessful efforts," was the more ap-Tenneco said it would in future propriate way of measuring oil and

April, 30th 1986

**International Placement** 

INTERNATIONAL COMPANIES and FINANCE

7,000,000 Ordinary Bearer Shares

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April, 1986



1,300,000 Shares

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MORGAN STANLEY & CO.

SALOMON BROTHERS INC

ROTAN MOSLE INC.

# INTERNATIONAL COMPANIES and FINANCE

# Modest net advance at OK **Bazaars**

By Jim Jones in Johannésburg OK BAZAARS, one of South Airica's largest retail chains, has suffered one of its most difficult trading years but managed a slight increase in attributable profits.

Turnover rose by 4 per cent to R2.04bn (\$997.6m) in the year to March from R1.96bn, but pre-tax profits emerged 4.6 per cent lower at R24.1m against R25.3m. A lower tax bill R25.3m. A lower tax bill resulted in a small increase in the attributable, after-tax profit to R12.3m from R12.2m.

The directors say that prolonged recession combined with high inflation and rising unemployment severely affected spending ability of the middle and lower income consumers. who constitute the majority of OK's customers. This, the board says, made the past year the most difficult in the company's history.

A relaxation of hire purchase controls helped to increase sales in the second half of the finan-cial year, but many consumers remain wary of taking on extra debt commitments. Sales of high-margin durables remain weak as consumers place greater proportional emphasis

The company expects consumer spending to remain under severe pressure during the curernt year, but believes that South Africa is starting to move out of its recession and that this year's earnings should he higher than those of last

Earnings totalled 100.8 cents a share against 100 cents and an unchanged total dividend of 60 cents has been declared.
OK Bazaars is controlled by South African Breweries, which in turn is indirectly controlled by Anglo-American Corpora-tion, South Africa's largest mining and industrial group.

Romatex, a leading South African textiles and floor coverings manufacturer, suffered a sharp reduction in sales volumes in the six months to March. Nevertheless, the company suc-ceeded in increasing both the interim revenue and profits and has raised the interim dividend.

Turnover rose by 3.5 per cent to R215m from R208m, and pretax profits were R5.8m against R4.5m. The director say that demand for consumer durables continues to decline

First-balf earnings per share increased to 14.7 cents from The group reported a turn-tound to A\$16.21m net profits of cost containment were shown by the dividend has been raised to in the period from an A\$52.15m relatively small rise in the cost 6 cents from 5 cents. Romater is kess a year earlier but said it of sales to A\$760.82m from controlled by Barlow Rand, the incurred an A\$14.58m net loss A\$740.17m. Capital spending industrial and mining group. in the last 16 weeks to March 31 fell to A\$87.9m from A\$156m.

# Second successive fall at largest Abu Dhabi bank

NATIONAL BANK of Abu Dh 132m. Dhabi, the largest bank in the United Arab Emirates, has

计图像 医氯乙烷酸

folio.

Net profits fell from
Dh 37.3m (\$10.1m) to
Dh 12.67m last year. This is the second year running that the bank has experienced a substantial drop in net profits—
figures for 1984 showed a similar fall of 67 per cent.

The year-end balance sheet also showed a decline to Dh 20.7bn from Dh 21.8bn. Bank officials blamed deteriorating credit conditions in the

ing credit conditions in the that two major banks in the itself country as the main reason for country. Abu Dhabi Commercial the the increased provisions taken Bank and the Dubai-based official in 1985, which amounted to Union Bank of the Middle East. Issue Dh 206m, compared with will need further injections of year.

National Bank retrenched considerably last year. Some recorded a 66 per cent drop in 20 per cent of its staff were profits during 1985 because of made redundant during the the need to make increased properties of the staff were period and its offices in vision on its local loan port. Tokyo, Singapore and Port Sudan were closed. A new operation was established in

Sydney, however.

The results were roughly in line with expectations by the banking community in the Emirates, where many of the major institutions are still negotiating with the central bank on the extent of their own lear loss provisions. loan loss provisions.

There are some suggestions

funds from their local govern-Abu Dhabi Commercial was

formed following a forced merger of three local banks in difficulties, while Union Bank has also been called on to absorb two other smaller banks.

Substantial interest exists, therefore, about how the two institutions have been able to absorb the bad debt legacy they inherited. Officials in Abu Dhabi say that Abu Dhabi Commercial has already received some Dh 500m from the central bank in the form of threemonth cheap government deposits. However, the bank itself refused to comment on the reports. Union Bank officials said they hoped to issue their figures later this

# Japanese stores show recovery

RY YOKO SHIBATA IN TOKYO

AGAINST the background of steady growth in sales, Japan's five major department stores have reported an earnings recovery for the year to Febru-Strengthened product lines

and tighter inventory controls brought about by the introduc-tion of on-line point-of-sale systems improved operating profits. The recovery was particu-larly marked at Mitsukoshi and

Daimaru. Mitsukoshi achieved its first operating profits in four years—Y2.5bn (\$14.9m) against a loss of Y3.57bn a year before —thanks to the implementation of better inventory controls and other cost-cutting efforts.

The positive factor in

JAPAN'S LEADING DEPARTMENT STORES Parent company results (Ybn), year to February 1986 Pre-tax profits 7.25 (+249%) 11.58 (+ 15%) 2.14 (+125%) 8.15 (+ 6%) 6.73 (+ 12%) 568.4 (+6%) 501.5 (+3%) 496.0 (+1%) 363.5 (+4%) 222.1 (+9%) 1.74 (+ 577%) 3.58 (+ 58%) 0.74 (+5.214%) 111 ( +27%) 257 (+ 38%) a marked improvement in its following a loan repayment.

Anancial balance arising from a Y10bn loan repayment.

while Takashimaya drew benefit from its efforts to reduce the depreciation burden and cost of sales. An improved financial standing also contri-Daimaru's earning recovery was buted to Matsuzakaya's earnings yearly record.

For the current year, the five stores groups foresee a slacken-Sogo achieved its earnings spending, but their sales and growth largely by expanding profits are expected to recover the sales floor at its Kobe store, further through a streamlining of managements.

Takashimaya expects to set a new record for pre-tax profits after four years and Sogo is forecasting a third consecutive

MIM Holdings held back MIM HOLDINGS, the Queens- against an A\$25.65m loss a year MIM HOLDINGS, the Queens-land mining group, said yester-day its earnings in the 40 weeks to the end of March were hit by an A\$9.8m (US\$7.2m) exchange

to the end of March were hit by an A\$9.8m (US\$7.2m) exchange continuing losses by the 40 per loss, the two-week strike at its the two-week strike at its the two-week strike at its in Western Australia. November, nine days' output

November, nine days' output

Soft through national coal strikes and lower metal and coal prices, Reuter reports from Brishane.

The group reported a turn
The group reported a turn-

### Asian first for Irish bank

By David Dodwell in Hong Kong BANK OF IRELAND yesterday opened in Hong Kong its first representative office in Asia, aimed at aiding trade finance in the region, and attracting inent in Ireland by Asian manufacturers

The bank, which has an asset base of \$90n and capital of \$600m, is also establishing a de-posit taking company (DTC) in Hong Kong, to be called BOI Asia, which will conduct wholesale banking business.

# Brierley in **NZ\$60m** offer for

By Our Financial Staff

The domestic initiative launched yesterday by Brierley Investments, his New Zealand master company,

Hong Kong offshoot.

Brierley already holds some

# Heavy demand for

# expected next week

AUSTRALIA'S National Companies and Securities Com-mission yesterday cleared the way for the dispatch of the Bell Resources initial offer document for a commanding stake in Broken Hill Proprietary (BHP). Reuter reports from Melbourne.

motor group

MR RON BRIERLEY, the Australasian entrepreneur, has acted to extend his vehicle distribution interests with a bid for Colonial Motor Com-pany which values the Wellington-based network at NZ\$60.06m (US\$35,14m).

follows Mr Brierley's entry into the UK car dealership market this year through Industrial Equity Pacific, his

9.2 per cent of Colonial, and is bidding NZ\$3.50 a share for the remainder, against a market level of NZ\$2.90.

### Israel Discount Bank ahead 36%

ISRAEL DISCOUNT Bank. the last of the country's leading commercial banks to announce 1985 figures, con-tinued the upward trend with net profits of US\$22.7m, an increase of 36 per cent, writes Lynne Richardson in

Return on equity improved from 4.5 per cent to 5.6 per cent. The balance sheet contracted from \$13.2bn to \$11.6bn, reflecting exchange rate variations.

# Cathay Pacific issue

THE FLOTATION of Cathay Pacific Airways was heavily oversubscribed on the first day of subscriptions yesterday but the final level of demand may not be known until next week, Reuter reports from Hong Kong.

# Bell's new BHP bid

Bell said an offer of A\$7.70 a share for ups to 20.7 per cent of BHP, on sop of its existing stake of 18.47 per cent, should be in share-holders' hands early next

## This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

# **Land Securities PLC**

Placing of £100,000,000 10 per cent.

First Mortgage Debenture Stock 2025 at £105-523 per cent., payable as to £25 per cent, on 2nd May, 1986 and as to the balance by 21st August, 1986

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange £10,000,000 of the Stock has been offered to the market and may be available to the public on the date of publication of this

It is intended to offer holder's of the Stock an option to take the Stock in bearer form and to provide holders of the existing stock with a similar

Listing Particulars of the Stock have been circulated in the Extel Statistical Services and copies may be obtained during normal business hours on any weekday (excluding Saturdays) up to and including 14th

> J. Henry Schroder Wagg & Co. Limited London EC2V 6DS

Land Securities PLC Landsec House, 21 New Fetter Lane, London EC4P 4PY

Rowe & Pitman Ltd. 1 Finsbury Avenue, London EC2M 2PA

Cazenove & Co. 12 Tokenhouse Yard, **London EC2R 7AN** 

and, until 2nd May, 1986 only, from: The Company Announcements Office, The Stock Exchange, London EC2P 2BT

30th April 1986

### The Republic of Italy U.S.\$500,000,000 **Floating Rate Notes** due 2005

In accordance with the provision of the Notes, notice is hereby given that for the Interest Period from 30 April, 1986, to 30 May, 1986, the Notes will carry an interest rate of "">" per annum. The interest payable on the relevant interest payment date, 30 May, 1986 will be USSS 85 per US\$10,000 nominal amount in Bearer (Coupon No. 9) or Registered form and or Registered form and US\$1,471,35 per US\$250,000 denomination in Bearer form (Coupon No. 9)

30 April, 1986.
The Chase Manhattan Bunk, N.A. London, Agent Bunk,



# Bank of Montreal

U.S.\$125,000,000 Floating Rate Debentures, Series 6, due 1991

Notice is hereby given that the Rate of Interest for the six month period 30th April, 1986 to 31st October, 1986 has been fixed at 70 per cent. The amount payable on 31st October, 1986 will be U.S.\$360.97 against Coupon No. 10.

Morgan Guaranty Trust Company of New York

This notice complies with the requirements of the Council of The Stock Exchange and does not constitute an offer of,

or invitation to subscribe for or purchase, any securities.

These Securities have not been registered under the United States Securities Act of 1933 and may not. as part of the distribution, be offered, sold or delivered, directly or indirectly, in the United States or to United States

# **IBM Credit Corporation**

(Incorporated in the State of Delaware, U.S.A.)

U.S.\$200,000,000 65%% Notes Due May 8, 1989

Issue Price: 1011/4%, plus accrued interest, if any, from May 8, 1986

The following have agreed to subscribe for the Notes:-

Nomura International Limited Mitsubishi Trust & Banking Corporation (Europe) S.A.

Morgan Guaranty Ltd

Swiss Bank Corporation International Limited

Algemene Bank Nederland N.V. Banque Nationale de Paris

Morgan Stanley International

**County Bank Limited** 

Daiwa Bank (Capital Management) Limited

**EBC Amro Bank Limited** Merrill Lynch International & Co.

Banque Bruxelles Lambert S.A. **Banque Paribas Capital Markets Limited** 

Crédit Lyonnais

Deutsche Bank Capital Markets Limited Goldman Sachs International Corp.

Mitsui Trust Bank (Europe) S.A. Union Bank of Switzerland (Securities) Limited

### Yasuda Trust Europe Limited

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List. The Notes will bear interest from May 8, 1986, at the annual rate of 6%% of the principal amount thereof, payable annually in arrears on May 8 of each year, commencing May 8, 1987.

Listing Particulars relating to IBM Credit Corporation and the Notes are available in the Extel Statistical Services and copies may be obtained during usual business hours up to and including May 2, 1986 from the Company Announcements Office of The Stock Exchange and up to and including May 14, 1986 from:

Nomura International Limited, Nomura House. 24 Monument Street, London EC3R 8AJ

Cazenove & Co., London EC2R7AN

Chase Manhattan Bank, N.A., London Branch Woolgate House, Coleman Street, London EC2P2HD

30th April, 1986

These securities have been sold outside the United States of America and Japan. This a appears as a matter of record only.

**NEW ISSUE** 

10th April, 1986



# American Express Overseas Credit Corporation N.V.

Yen 20,000,000,000

5%% Guaranteed Yen Notes Due 1991

Unconditionally Guaranteed by

### American Express Overseas Credit Corporation Limited

Issue Price 101%, plus accrued interest, if any, from April 10, 1986

Shearson Lehman Brothers International

Mitsui Trust Bank (Europe) S.A. **Bankers Trust International Limited** 

Banque Bruxelles Lambert S.A.

Commerzbank Aktiengesellschaft Crédit Lyonnais

Dai-Ichi Kangyo International Limited

Dresdner Bank Aktiengesellschaft Lloyds Merchant Bank Limited

Mitsubishi Trust & Banking Corporation (Europe) S.A. Morgan Grenfell & Co. Limited

Swiss Bank Corporation International

Nomura International Limited Morgan Guaranty Ltd

Bank of Tokyo International Limited Banque Nationale de Paris

County Bank Limited Credit Suisse First Boston Limited Daiwa Europe Limited

> **EBC Amro Bank Limited** LTCB International Limited

Mitsui Finance International Limited The Nikko Securities Co., (Europe) Ltd.

Union Bank of Switzerland (Securities)

Yamaichi International (Europe) Limited Westpac International Corporation

Yasuda Trust Europe Limited

# Firmer gilts prompt sterling bonds

gilts market on the back of it gave an implied yield net of sterling's strength on the fees of 8.68 per cent. foreign exchanges and steadier An innovative \$270m issue trading in US Treasury bonds. of warrants into mortgage level of the total fees.

lead-managed by Morgan Gren-fell, was for Cypanamid Holdings. It was guaranteed by parent chemicals and pharma-ceuticals company, American Cyanamid. The £30m fivel year bond bears a coupon of 9 per cent and was priced at par to yield at issue taking in total fees 61 basis points over reference gilts.

The bond struck traders as reasonably priced, although it was moving slowly yesterday afternoon. Morgan Grenfell quoted a bid price of 97%. The sterling market is now quiet and unenthusiastic bankers say Substantial buying interest in a new bond can only be sparked by a high-quality name. a new bond despite the fact that secondary issues are generally trading over par, and thus discouraging investment. There is still UK interest in long-term issues recent bonds offer substantial yield pick-ups as against

YESTERDAY saw two new steriing Eurobonds, encouraged by
a slight improvement in the
tight. Priced at 441 per cent,
1011 to yield at issue 35 the
company. This is a
non-callable bond was priced at
secondary issue, backed by
1012 to yield at issue 35 the
company's equity. There are

The first new sterling issue, securities was carried out in the dollar market when Salomon Brothers International, on behalf of Phibro-Salomon, launched 270,000 warrants to buy securities of the US Government National Mortgage Association (Ginnie Mae). The underlying security is Ginnie Mae 8 per cent 2007. The war-rants, priced at \$9.75 each, are exercisable during April 1987 at a strike price of \$98 each. The Ginnie Mae bond traded

around \$95 yesterday. The warrants represent a hedging instrument chiefly for banks and are attractive because the decrease in US rates recently has made Ginnie Mae's cheaper than US Treasuries, thus providing a cushion against a fall in the Treasury market. Salomou International said they had met strong demand and traded

There was one issue into the dollar fixed-rate market where alternative. similarly-dated some bonds moved slightly at this securities in the domestic marhigher. Morgan Guaranty intervals, ket. launched a \$100m 7\cdot per cent Citicorp
In contrast to Cyanamd's bond for Farm Credit Corpora(Switzerla value 10-year zero- state agency, in its first borrow- moto, the Japanese bio-techno- and was priced at 1003.

points over US Treasuries. The lead-manager said the bond was

The coupon on Sumitomo from an indicated 3 per cent corp said Exercise price on the warrants sold out. will be set tomorrow. The I

tranche of Sumitomo Realty's issue was fixed at I per cent. the lowest ever in the Swiss franc market. Prices eased by up to 1 points in that over-loaded sector. The issue for AMR Corporation lost } point in price, while the bond for Southern Gas of California eased to 95 bid.

Despite lacklustre trading in year bond for Olivetti International (Luxembourg) the longest fixed-term Eurobond has nine years to run, now ever. Pricing will take place in yields around 6.45 per cent.
May, but the coupon is indinew bond traded at around cated at 5; per cent and the bid.

Investment Bank Citicorp (Switzerland) arranged an issue bond, Morgan Guaranty's £100m tion of Canada, the Canadian of warrants into shares of Ajino-

company's equity. There are 400,000 warrants, priced at trading at discounts around the SFr 385 each, each exercisable into 50 shares at a strike price of Y1.135 per share, represent-Reality's \$100m equity-warrants ing a 16 per cent premium over bond was reduced to 23 per cent the shares' market price. Citicorp said the issue had rapidly

The coupon on the SFr 500m shocked by the announcement ranche of Sumitomo Realty's of a record DM 18.7350n new The D-Mark market was issue calendar for May. Prices stabilised in the afternoon, howover, when US Treasuries moved higher in New York and as doubts were expressed about whether the time-tabled DM deals would surface.

Commerzbank launched a DM 300m deal for Ireland. The 10this overloaded sector, two new deals were arranged.

Soditic bought a SFr150m 60.

Solitic bought a SFr150m 60.

Solitic bought a SFr150m 60. new bond traded at around 97

cated at 54 per cent and the price at par. There are call options at 102 in 1996 and then ket saw a new issue for the at this level at five-yearly London branch of Morgan Guaranty. Lead-manager was Guaranty. Lead-manager was Banque Generale du Luxenbourg. The LFr 300m five-year bond pays 7 per cent coupon

# Samurai underwriting to be revitalised

BY YOKO SHIBATA IN TOKYO

THE BIG FOUR Japanese securities houses have agreed to stiffen competition among rapid progress in the diversification than the pre-payment premium changes in the issue structure underwriters and bring down tion of debt instruments in the stipulated in the bond agreeof Samurai bonds, in an attempt to revitalise the domestic yen- flotations. denominated market which has

The four underwriting houses Yamaichi—are to switch to the so-called "bought deal" system for issues, similar to that used in the Euromarkets. This allows the lead manager to negotiate terms with the issuer and present them in virtually finished form to members of the underwriting syndicate.

Under the previous "indication" method, terms had to be agreed unanimously by the syndicate. This was in order to help smaller underwriters sell the paper, but the formula tended to buoy the issue price and inflate costs.

Morgan Guaranty Ltd

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

**Baring Brothers & Co., Limited** 

Goldman Sachs International Corp.

Salomon Brothers International Limited

and shall be payable annually in arrears on 12th May in each year.

LTCB International Limited

18 King William Street,

London EC4N 7BR

**Manufacturers Hanover Limited** 

County Bank Limited

**Daiwa Europe Limited** 

the cost of Samurai bond

-Daiwa, Nikko, Nomura and borrowers moving to the this year there have been 10 amaichi—are to switch to the Euroyen market, where Samurai bond issues (all fixed Japanese banks are able to underwrite issues.

Stringent financial require- Y573.1bn. ments and the lack of diversifithe Samurai bond market well bonds. Non-residents have been 1984, and in the year to March YI.652.3bn (\$9.76bn) were made

compared with 38 Samurai Sweden and Austria. revitalise the Samurai bonds worth Y1.170bn. Because of their high market and are also con The big four securities houses coupons, the market price of more drastic measures

The Securities referred to below have not been registered under the United States Securities Act of 1933

and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories, its possessions or any areas subject to its jurisdiction or to United States persons.

PepsiCo, Inc.

(Incorporated in the State of Delaware, U.S.A.)

U.S. \$200,000,000

73/8 per cent. Notes Due 1993

Issue Price 100% per cent.

The following have agreed to subscribe or procure subscribers for the Notes:

LTCB International Limited

Swiss Bank Corporation International Limited Union Bank of Switzerland (Securities) Limited

Application has been made for the 40,000 Notes of U.S. Dollars 5,000 each to be admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the Temporary Global Note. Interest on the Notes will accrue from 12th May, 1986

Particulars of the Notes and the Issuer are available in the Extel Statistical Service. Copies of the listing particulars relating to the

Notes may be obtained during usual business hours on any weekday (Saturday excepted) up to and including Friday, 2nd May, 1986 from the Company Announcements Office of the Stock Exchange and up to and including Wednesday, 14th May, 1986

This advertisement complies with the requirements of the Council of The Stock Exchange and does not constitute an offer of, or invitation to subscribe for, or purchase, any Securities.

**Credit Suisse First Boston Limited** 

Bank of America International Limited

Citicorp Investment Bank Limited

Dresdner Bank Aktiengesellschaft

Lloyds Merchant Bank Limited

Orion Royal Bank Limited

Crédit Lyonnais

**Banque Paribas Capital Markets Limited** 

J. Henry Schroder Wagg & Co. Limited

The changeover is designed have grown jittery about the these bonds has been higher Euromarkets such as floatingrate Euroyen bonds and dualdenominated market which has recently been largely eclipsed by the Euroyen sector.

The four dominant under-currency notes. Fixed-note writing houses have decided to Euroyen bond issues have also adopt the international method surpassed Samurai bonds. as to stop non-resident Between January and March rate) worth Y305bn compared with 34 Euroyen bonds worth

> The four have also decided to cation in maturities have put drop the unwritten rule banning behind the market for Euroven market of issuers which have pre-paid bonds before their able to raise funds through the final maturity. Since last Euroven market since December September when Denmark 1984, and in the year to March redeemed its Samurai bond 1986, 83 Euroyen issues worth ahead of schedule, the move has been followed by Finland,

ment and borrowers have been able to save money even after notes. Fixed-note paying the premium.

They have been able to refinance bonds at cheaper rates (currently 6.5 per cent) by re-entering the market. This practice has upset the big four houses and they had implied that they would boycott the next issue if the issuer pre-paid the old bonds.

However, the underwriters

have now realised that it is not wise to exert pressure on the when the Euroyen market is expanding rapidly.

The underwriting houses expect that these measures alone will not adequately revitalise the Samurai market and are also considering

# DM 18bn issue calendar for May

By Our Euromarkets Staff

UNPRECENDENTED new issue calendar in Deutsche Mark Euroboods of DM 18.73hn has been registered for issue during May, the Bundesbank announced yesterday.

This is twice the total DM Eurobond calendar for April, when DM 9.09bn was filed, and contrasts with a total issued amount during 1985 of just over DM 30bn. The Bundesbank said that

the new issue calendar comprises 63 straight fixed-rate issues for DM 16.68bn, six equity-linked issues for DM 810m. one floating-rate note for DM 500m, and two zero-coupon DM 750m. West German bankers

described the size of the calendar as "potentially dangerously destabilising" to the market. Even with the reported increase in Japanese buying of DM bonds, they say, current demand could not meet such an avalanche.

However traders do not expect to see all 72 issues brought to market. There was speculation that some of the filed honds might

be repeat registrations. The Bundesbank said it could not comment on whether this was true, but would not consider it to be its role to prevent such duplication

Traders remarked that there were four holidays in West Germany during May, which would reduce time available to launch deals.

In the past, many issues listed in the calendar have not appeared because they have depended on swap opportunities which have not materialised. Of last month's time-tabled DM 9.09bn, only slightly over DM 5hn has been issued as the month draws to a close. Since new regulations allowing names of issuers to remain confidential were introduced last May, generally only about 75 per cent of scheduled issues have surfaced during a given

On the other hand, bankers helieve that at least part of the calendar comprises non swap-related issues for West German companies which have not previously bor-rowed in the Eurobond market but are now altracted by the historically low interest rates available. West German companies in particular are expected to issue equityrelated debt.

## German CDs from Morgan Guaranty

Frankfurt of Morgan Guaranty is likely to be first to offer D-Mark denominated certificates of depost (CDs) on the West German market. The Bundesbank decided

last December to permit banks licensed in Germany to issue CDs, as a further step in improving the attractiveness of the domestic financial markets.

The green light for CDs, and for changes in the central bank's minimum reserve rules, has been given for tomorrow but since that day a holiday, Morgan Frankfurt will start the new business on Friday.

D-Mark CDs with a mini-mum volume of DM 5m will be available with a duration of at least a month. They will be in the form of registered bonds, not bearer bonds, which may partly hinder the of transfer but means they will not subject to

# FDIC backs disclosure rule power for SEC

THE FEDERAL Deposit Insurance Corporation (FDIC) said it supported transferring the regulation of registration. disclosure and reporting re-quirements for publicly-held banks to the Securities and Exchange Commission, Reuter reports from Washington.

"The (Vice President George) Bush task force re-port recommended that this regulatory function be assigned to the SEC. We believe this transfer of responsibilities would be appro-priate," Mr William Seidman, the FDIC chairman, told a house energy and commerce committee hearing.

The hearing was called to look into the adequacy of financial reporting by finan-cial institutions.

Mr Seidman said the FDIC supported accounting rules which accurately reflect the condition of commercial banks and would not allow banks to restructure loans to conceal

# Green light for market in UK commercial paper

The second secon

BY DAYID LASCELLES, BANKING CORRESPONDENT

the UK authorities yesterday rather than regulatory fiat. to commercial paper will open up what could become Britain's largest new financial market for many years. In the US, the home of commercial paper, the market has doubled since 1980 to \$300bn, and is now a major means of mobilising short-term funds between borrowers and lenders. Similar markets are also being started

up on the Continent. Commercial paper consists of short-term (up to nine months) unsecured promissory notes issued by corporations wanting large amounts of cash. The purchasers are usually financial institutions, banks or other corporations with temporary cash surpluses to invest.

The point about the market is that it directly connects those needing money with those who have it available, bypassing the banking system and the conventional securities exchanges.
This makes it a cheap and
highly flexible source of funds;
regular users on Wall Street come in several times a week, if not daily.

### Obstacles removed

Pressure for a UK market has come mainly from large companies who believe they can tap the money markets just as cheaply—if not more cheaply than UK banks. The obstacle was the Banking Act under-which the definition of deposittaking meant that only banks could use these markets continuously. This is now being removed.

But several questions to do with the operation of the market and its likely effect on the monetary system had to be resolved before it could go ahead. These have been addressed mainly by the Bank of England which is responsible for the arrangements.

The key question was how to provide protection for investors given the paper's exemption from the Banking Act. This is to be done by

THE GREEN LIGHT given by matter of market convention The requirement that paper issuer's stock be listed in the UK and that their net assets be at least £50m means that they will already have gone through the UK disclosure hoops and have been closely analysed by the investment community. This limit opens the market to some 300 UK companies, plus several dozen more foreign ones, though regular borrowers will be only fraction of this number.

One hurdle still to be removed is the Companies Act requirement that borrowers publish prospectuses when issuing securities. Commerical paper is to be exempted from this in the Financial Services Bill due for enactment later this year. Until then, borrowers may have to issue their paper through off-

shore subsidiaries. The biggest users will be able to borrow in their own name. But many will back their issues with bank guarantees to ensure that they can roll them over if the market is disrupted. Only banks will initially be allowed to provide these guarantees, but the right may be extended to other institutions like insurance companies later on. These guarantees will be treated as Bank of England, and will carry a 0.5 capital weighting.

Whether or not the UK market will demand that borrowers have credit ratings should emerge over time. The UK authorities are making no such requirement. But it is standard practice in the US for issuers to have ratings from the two major agencies, Standard & Poor's and Moody's; several companies are gearing up in London to provide this sort of service.

Companies will issue their Those acting as underwriters will have to be UK-licensed the Bank.
banks to ensure a degree of mar-

banks from the business, though they will be allowed to seek special permission from the Bank of England

Commerical paper will be exempt from stamp duty, which will give it an advantage over the domestic securities market, but put it on a par with the still-exempt Euromarkets. The return on the paper can be paid in full, without any withholding tax and the cost of setting up a commercial paper programme will be a permitted business expense.

### Relative cost

All the leading UK merchant banks and many foreign ones too-mainly from the USbeen preparing months to issue and distribute paper for clients, and their research shows that there are both borrowers and investors ready to make use of the market, though the start-up

may be slow.

A key point will be the relative cost of commercial paper to other sources of finance, notably the bill market. Because of the artificial demand created for acceptances by the Bank of England's funding policies, bill rates have been artificially low for some contingent liabilities by the time, and could still undercut commercial paper, some bankers were saying yesterday. It seems unlikely, though, that the Bank would have agreed to start up this new market if it clashed with its monetary

operations. The Bank will, however, be monitoring the commercial paper market closely for its effect on monetary policy, and may re-interpret its reading of the monetary aggregates in the light of what it sees, particularly as commercial begins to replace bank lending. paper through dealers action affect the supply of bills, and either as agents or underwriters. thereby help reduce the £15bn "bili mountain" built up by

However, the view at the exemption from the Banking banks to ensure a degree of marked. This is to be done by ket supervision until the new Bank yesterday was that the restricting access to the market regulatory framework for Big monetary implications were to large well-known companies Bang is established. This will not fully clear, and it was a exclude the large US investment matter of wait-and-see.

### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

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ı	US DOLLAR						
1			. m	~~- '	Change	on.	
ı	STRAIGHTS	Issued	1 BIG 1	CHEL	+0% -	¥.	THE
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ł	Australia Com. 114 00	100	7401	4405	+0-2 -:		0.44
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1	Campbell Soup 1012 95	100	.778	110	+0/-	13	8.76
1	Campbell 2000 10-2 33	100	1124	113.	D −	17	8,45
ì	Canada 9 98	1000	_1077-	106	+0% (-)	250	7.84
1	Canada 114 90	500	1123	1134	+02 -2	12	7.53
1	Canadian Pac. 104 93	100	1091. 1	ina i	+02	'n.	8.88
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1	Citicoro 105- 95	200	1037	1043	+01, -1		8.01
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30th April, 1986

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# Tarmac's £135m beats forecasts

Tarmac

A FURTHER improvement of £20m over the second six months enabled Tarmac to lift its 1985 profits from £109.6m to a record £135.2m pre-tax, a rise of 23 per cent.

City analysts were expecting a slacker second half due to poor weather and had set their sights on £113m for the full year. The company's shares closed 8p higher yesterday at 486p after rising to 488p at one

stage.
Each of the six divisions improved its operating profits, the increases deriving both from organic growth and from recent acquisitions.

The bulk of profits came from

quarrying (up from £67m to £86.2m at the operating level) but housing showed strong growth with a 44 per cent profits surge to £34.7m.

The division sold 9,062 new homes during the year, com-pared with 1984's 7,128. The management here is looking to the current year with confidence and is expecting an increase in sales of new homes to over 10.000.

a quiet start to 1986 due to weather. Reservations in the housing division are comfortably ahead of this time last quarry products and construc-

tion sectors are satisfactory. The US operations have made a good start and for the group as a whole the directors expect 1986 to be a year of further progress.



chairman of Tarmae

Earnings for the past year improved from 25.8p to 28.2p and a final dividend of 7.2p raises the total from an adjusted 8p to 9.4p net per 50p share. Turnover pushed ahead from

£1.32bn to £1.57bn and operating profits from £123.8m to and political conditions. £156.7m, Interest charges, how The building profits from £123.8m to and political conditions. ever, rose by £7.3m to £21.5m. division increased profits by 23
The directors describe per cent to £15.4m and conquarrying products performstruction again chalked up an ance as excellent, with operating profits ahead by 29 per cent market conditions and bad weather in weather in the UK. During the despite very wet weather in the UK during the opening

iceland as well as the UK the division is also a leading member of the consortium which was selected for the Channel Tunnel project.

In the property division several major retail, office and high technology developments were brought to completion during the year.

Despite the sale in August of the oil and gas business, Plascom, the oil and industrial sector, made higher operating profits. Since the year-end the division has disposed of its two iron foundries and the small tube manufacturing business, and has acquired the 50 per cent shareholding in the Philmac bitumen refinery pre-viously held by Phillips Petroleum — Philmac is now a wholly-owned subsidiary.

From January I the building products and oil and industrial divisions have been merged to form a new building and industrial products sector.
The end of 1985 saw

strengthening of the group's balance sheet. An increase in capital and reserves (from £333.6m to £426.7m) included a £41.4m uplift from a professional revaluation of the group's mineral reserves and properties Net borrowings at December 31 1986 were £126.1m, compared with £131.6m a year earlier. In February this year the

group made five acquisitions in the US, and in March made an

### **Bardsey cuts** losses

Despite exceptional debits this time of £449,000, Bardsey. industrial and financial holding company, cut its pre-tax losses from £744,000 to £726,000 in

The exceptional debit and extraordinary costs of £267,000 (£288,00) result from factory closures, disposal of loss-mak-ing subsidiaries, and reorganisation of subsidaries. Bank borrowings and shortterm loans were reduced from £6.4m to £3.6m through disposals of non-core businesses and properties.

Turnover was down from £35.2m to £32.6m, but operating losses were substantially reduced to £277,000 compared with £744,000. After a tax credit of £12,000 (£298,000 charge) and minorities of £9,000 (£7,000), the loss transferred to reserves was £990,000

Recent years have seen several important changes. We have made a major

move in the US widening the Group's earnings base in a most significant way. At home, we have largely completed

the modernisation programme of our UK cement operations, and diversified into the sanitaryware and bathroom

We are now set to gain the

Activities in the UK were

hampered by severe weather which inhibited demand, and by

dislocation of production and distribution from the construction

work at both Cauldon and Dunbar

which added to operating costs and largely contributed to the decline in

UK cement profits.

However, both these modernised plants are now operating well, and we expect to benefit from a substantial gain

in efficiency and productivity during 1986.

manufacturer of bathroom ware in the US.

Another important development at home was the completion of the move of the Company's

headquarters to the new freehold building at Aldermaston. We anticipate substantial cost savings.

**ARMITAGE SHANKS: MORE US PROGRESS** 

Our sanitaryware subsidiary, Armitage Shanks, commissioned a new automated warehouse at Stoke-on-Trent and began production at the new

plant in Mooresville, N. Carolina, US. The company is now a major

fittings business.

ON STREAM

**UK: NEW CAULDON** 

AND DUNBAR WORKS

# Rotaprint to get cash injection

man of Rotaprint. Mr David

and chief executive and the

secured in Algeria, Egypt and

Overseas, the concrete pro-

integrated and significantly to

contracts were

profits. In South the business was

ducts and quarrying businesses acqured at the end of 1984 were

contributed

Africa the

Rotaprint, a loss - making of specialist manufacturer printing machines, is to get a £2m injection of new capital as part of a far-reaching reorganisation of its finances. The company yesterday announced that its pre-tax

£1,17m in the year ended March, 1986, from £652,000, on sales of £15.54m, the year before. Rotaprint is carrying out a further slimming down of its manufacturing operation and revising its sales effort to con-

centrate on factored products and supplies, such as inks, chemicals and plates. The financial package has been put together by Mr John Crates and Mr Charles Howe, both former executives of Crystalate, the electronics

Turnover

Profit on Ordinary Activities before Tax

Earnings per £1

Group Share of Profit after Tax and before Extraordinary Items

Ordinary Share before

Extraordinary Items

man who in 1980 was brought in by Midland Bank to restore losses increased to an estimated Rotaprint's fortunes, will step remain a consultant. The latest financial reorganisation, which involves a 1979,000 rights issue and a 11.02m share placing, is the second time Rotaprint has

Blue Circle Reports

SET TO CAIN EROM

IMPORTANT CHANGES

**GROUP FINANCIAL HIGHLIGHTS** 

1985

£947.2m

£116.9m

1984

**USA: ONE OF THE LARGEST CEMENT SUPPLIERS** 

suppliers in the US.

is some \$370 million.

a short space of time.

challenging year.

us around the world.

Blue Circle Industries PLC Portland House, Aldermaston

Telephone: 07356 78000

Please send me a copy of your 1985 Annual Report.

To: KD frons, Group Public Affairs

We made two major moves in the US in 1985 with the acquisition of Atlantic Cement and the purchase of

William Bros, increasing our total cement sales to some 6 million tons a year, and making Blue Circle one of the largest

Total cost of US acquisitions since 1982

Earnings from our US businesses are making a substantial contribution to total Group profits, a notable achievement in

Elsewhere overseas it has been a

PEOPLE: BASIS OF SUCCESS

on the path for a successful and increasingly profitable future. Much of the credit for this success

is due to the people who work for

The 1985 Annual Report will be available shortly. For a copy, please post

FT/30 -

In recent years we have made

£870.3m

£113.2m

£83.7m £ 72.4m

67.7pence 62.1 pence

issue. Rotaprint is to issue 195.7m new shares on the basis of nine new shares for every two adverse balance. ordinary shares at 1p per share. Robert Fleming, Rotaprint's yesterday to 5p.

Mr Crates is to become financial advisers, will place a executive chairman and Mr further 204.3m shares at 1p Howe executive deputy chair-each. Mr Crates and Mr Howe will each buy 10m shares at a cost of £50,000 each while four members of the existing management will take up 8m shares between them.

The management will be given options over 44m 4p shares if pre-tax profits reach £1m in any year starting 1986/87.

The company will reduce the value of its 5p shares to 1p, representing a total reduction raised new funds in the past of £1.96m in its share capital About £1.6m of this, as well fl.5m by means of a rights

as most of the £759,000 in an existing capital reserve, will be transferred to the profit and loss account to eliminate the

# Tate set to agree deal with **Berisford**

By Andrew Gowers and

Tate & Lyle, the UK-based suger refiner, is expected today to announce an agreement in principle with S. & W. Berisford, the commodity trading and processing group, which would allow Tate to launch a cash and

Sankers and lawyers were last night putting the final touches to a draft agreement. It would allow Tate to acquire British Sugar, the UK beet monopoly, from Berisford for about £450m, and permit Berisford management, led by Mr Ephraim Margulies, chairman, to mount a buy-out for the rest of the company for about £200m.

for about £200m.

The Tate offer for Berisford is likely to be half in cash and balf in the form of a five-forone share offer, according to executives close to the negotiations. It would value the whole group at about £470m.

A rival all-share bid for Berisford by Hillisdown Holdings, the acquisitive UK food

nerstorn by Hillsdown Hotelings, the acquisitive UK food and furniture group, was yesterday worth £504m.

If the Tate board gives the go-ahead this morning, the company's announcement—at

the same time as its interim results—will take the form of a statement of intent and is likely ot contain two condi-

Tate needs a water-tight commitment from Mr Marguiles on the management buy-out so that it is not saddled with Berisford debts. The group's total borrowings and liabilities are estimated to total at least £1.3bn, while borrowings included in the balance sheet last September amounted to £674m.

Tate is also asking for clearance for the deal from the Office of Fair Trading. It is far from clear that this will be forthcoming, given that together, Tate and British Sugar control about 94 per cent of the UK sugar market.

### Action against Hobson dropped

In the High Court yester-day Mr George Nicholson discontinued the action he began against Hobson and Hobson Process and withdrew all claims made by him in the originating summons in the

Mr Nicholson further undertook to the court not to prosecute any further claim under section 40 of the Patent Act, 1977 in respect of the subject matter of the action and had to pay the costs of Hobson and Hobson Process.

# Profit leap in Americas lifts Blue Circle to £117m

HIGHER PROFITS from the Americas helped Blue Circle to offset downturns elsewhere in 1985, and taxable profits came out at £116.9m—up £3.5m on last year, and in the middle of a wide range of City estimates. The shares rose 43p on the

day to close at 716p.
The largest profit rise came from Mexico, which improved more than five-fold to £20.7m. The US moved ahead from £18.3m to £22.8m, and South America from £8.4m to £11.4m. In addition to yesterday's results announcement, the com-pany, one of the UK's leading cement and building materials groups, also reserved the right to raise money via a much-rumoured rights issue, but denied it had any immediate

plans to do so.
"If we are going to expand further, it must be one of our options to increase our capital se," said Mr Hugh Bull, the

of foreign exchange benefited the company to the tune of £17.5m in the period to Decem-ber 31. It used average rather than end of year rates. at about the final dividend is to be market.



Sir John Milne, chairman of Blue Circle

raised by 1p to 15p for a total of 20p (21p). Earnings per share improved from 62.1p to

finance director.

The most likely stimulus for a cash call would be a further move into the US, where in the past three years Blue Circle has invested some \$370m.

A change in the treatment A change in the treatment foreign exchange benefited a full foreign exchange benefited that home trade cement.

continued to be incurred despite the increase in cement prices, particularly on distri-bution as a result of the construction work on the new plants at Cauldon and Dunbar. The benefit of reduced operating costs at these plants will be felt in 1986, says the chairman,

Operating profit of Armitage Shanks was £10.3m (£13.0m). Of this, £9.5m (£9.6m) was earned in the US. Overseas operations, apart from those in the US, suffered from severe competition throughout the

In the US. Atlantic Cement, acquired last May, made

\$19.8m. In South Africa profits suffered, particularly in the second half of the year, because of the economic downturn and the weakness of the rand.

Group companies in Australia New Zealand and Nigeria performed well, al-though profits in sterling terms suffered from exchange move-

The tax charge fell from £30.2m to £26.3m. leaving net profits at £90.6m against £83m.

says that home trade cement. The higher dividend will take deliveries were unchanged at £27m. (£23.3m), leaving the 7.8m tonnes. Imports remained company with a retained proat about 2 per cent of the UK fit of £52.5m against £43.6m. See Lex

# Chemicals and plantations behind Yule Catto decline

FALLING PROFITS in its two • comment largest divisions—industrial chemicals and plantations— have left Yule Catto with a sharply reduced outcome for in direction, away from reliance the 1985 year. The result was £10.18m against a comparable

Analysts had expected the downturn after disappointing interim figures, and the company's shares rose 25p yester-

day to close at 188p.

Lord Catto, the chairman, says that the current year has started well, and profits over the first quarter are ahead of the comparative period despite a further drop in the price of

He expects continued progress in the group's industrial operations, and "providing there is no undue political or economic reversal in the major markets, the overall growth in earnings should be maintained."

The extraordinary credit of £3.92m—profits on the sale of investments—(£12,000), lifting attributable profits from £4.68m

total 1p higher at 7p. tinged by its overseas exposure.
Earnings per 10p share came Yesterday's price rise notwithto 23.1p (22.7p) on a net basis standing, the market seems preand 23.8p (24.1p) on a nil basis.

For Yule Catto 1985 repre

sented a fundamental change towards a broader base in chemicals and building in this country. The City approved of the change and the shares rose by 25p to 188p yesterday. Per-haps perversely its UK activi-ties were dogged by a poor-performance from the chemicals division, from Doverstrand in particular, With Doverstrand returned to profit and building poised for further growth, the UK should contribute an increased proportion of profit, 70 per cent or so, this year. Plantations remain a persistent problem, with the two staple commodities, palm oil and cocoa, still suffering from plung-ing prices. Yule Catto is committed to continuing with its plantation interests, although future expansion will focus on other areas in this country. The City expects a respectable performance, with profits pre-tax-rising to £11.5m in 1986, leavto £8.67m. The final dividend is rising to £11.5m in £880, 1680-raised from 3.75p to 4.5p for a ing Yule Catto's p/e of 5, still tinged by its overseas exposure.

pared to wait to see how Yule

Catto will diversify before in-

dulging in a re-rating.

**Burgess** profits down 16% in first half Burgess Products (Holdings)

saw pre-tax profits fall by 16 per cent from £601,000 to £504,000 in the 27 weeks to February 1, 1986. The result was on turnover little changed at £10.43m against £10.39m. Mr Bob Morton, chairman, says the fall was as expected, the results being affected by increased costs of future automation at Gateshead, additional marketing costs in the US and higher capacity costs in Ger-

many. However, the investments made in the first half are pro-ducing increased sales and profits in the second half, before the impact of profits from

Earnings per share were 5.2p (6.8p) and the interim payment is unchanged at 0.5p. The crease the final to give a total payment of 2.5p, compared with ast year's 2p.

efectionic components reported trading profits down at £497,000 (£738,000) whereas acoustical and other engineering products rose from £1,000 to £47,000. There were excepwhich £120,000 was part of the consideration for Burgess Products Company.

### **DIVIDENDS ANNOUNCED**

		of sp	onding div.	for	last year	. •
Albany Inv	. 2.5	July 1	2.2	3.5	3 .	
Blue Circle		July 1	14	21t	20 .	
Burgess Productsin	t. 0.5	May 30	0.5	_	2	
Edinburgh Oil	. nil‡	_	0.15	nil .	0.15	
Cecil Gee	- 2.8‡	_	2.8	28	2.8	
Barham Group	. 1†	_	0.81	2	1.21	
Norscot		July 1	_	2.4		٠.
Redrearn Glassint	. 1.5	Aug. 7	nil		2	
Ropner		June 27	4 .	6.5	6.25	
Tarmae		July 3	6*	9.4	8*	
Tootal Group	. 2.5		1.87	4	š.1	
Yule Catto	. 4.5	_	3.75	7	6	
Viking Resources	. 1.45		0.65	2 .	1.15	
Dividends shown stated. * Equivalent a	in pence ifter allo	per share wing for so	except	where	otherwis	se al

ncreased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. Adjusted for sub-division.



RECONSTRUCTION AND DEVELOPMENT, WASHINGTON 65% US\$100,000,000

The interest payable on Coupon No. 4 due on April 27, 1986, as determined by the fiscal agent according to paragraph 6 of the Terms of the Bonds, is US\$356.45 per Lond of US\$5,000 nominal.

Swiss Bank Corporation Fiscal Agent



Swiss Franc-linked Bonds 1989

Başle, April, 1986

# BARCLAYS

**BARCLAYS OVERSEAS** INVESTMENT COMPANY B.V.

U.S.\$600,000,000 Junior Guaranteed Undated Floating Rate Notes'

Notice is hereby given that the Rate of Interest for the Interest Period from 1st May, 1986 to 3rd November, 1986 is 7% per cent. per annum and that on 3rd November, 1986 the amount of interest payable in respect of each U.S.\$5,000 principal amount of the Notes will be U.S.\$184.06 and in respect of each U.S.\$50,000 principal amount of the Notes will be U.S.\$1,840.60.

> Barclays Merchant Bank Limited Agent Bank

### BASE LENDING RATES

l '	
ARN Bank 101%	Robert Fraser & Ptrs 111%
ARN Bank 101% Allied Dunbar & Co 101%	Grindlays Bank \$101%
Allied Irish Bank 101%	Guinness Mahon 101%
	Hambros Bank 101%
American Express Bk. 104%	Heritable & Gen Trust 101%
Amro Bank 104%	Hill Samuel \$101%
Henry Ansbacher 104%	C. Hoare & Co 101%
Associates Cap Corp 11 %	Hongkong & Shanghai 104%
Banco de Bilbao 104%	Johnson Matthey 101%
Bank Happalim 101%	Knowsley & Co Ltd 11 %
Bank Leumi (UK) 101%	Lloyds Bank 101%
Bank Credit & Comm 101%	Edward Manson & Co 111%
Bank of Cyprus 104%	Meghraj & Sons Ltd 101%
Bank of Ireland 101%	Midland Bank 101%
Bank of India 10195	Worms Cranfell 1010
Bank of Scotland 104%	Morgan Grenfell 104% Mount Credit Corp Ltd 101%
Banava Balan Ital 1010	National Bk of Kuwait 101%
Banque Belge Ltd 101% Barclays Bank 101%	Notional Circles 1019
Beneficial Trust Ltd 12 %	National Girobank 101% National Westminster 101%
Brit Bank of Mid East 101%	Machinal Mestimuster 1014
Brown Shipley 101%	Northern Bank Ltd 101%.
CL Bank Nederland 101%	Norwich Gen Trust 101%
Canada Permanent 104%	PK Finans Intnl (UK) 12 %
Canada Fermanent 104%	Provincial Trust Ltd 121%
Cayzer Ltd 101%	R Raphael & Sons 104%
Cedar Holdings 12 %	Roxburgh Guaranty 11 %
Charterhouse Japhet 101% Citibank NA 101%	Royal Bank of Scotland 101%
Citibank Savings 110.75%	Royal Trust Co Canada 101%
City Merchants Bank . 104%	Standard Chartered 104%
Clydesdale Bank 101%	Trustee Savings Bank 101%
C. E. Coates & Co Ltd 12 %	United Bank of Kuwait 101%.
Comm Bk N East 101%	United Mizrahi Bank 1019
Consolidated Credits 11102.	Westpac Banking Corp 104%
Continental Trust Ltd 101%	Whiteaway Laidlaw 11 %
Co-operative Bank 10196	Yorkshire Bank 104% Members of the Accepting Houses
The Cyprus Popular Bk 101%	Committee.
Duncan Lawrie 101%	7-day denomine a saw a
E. T. Trust 111%	0.0276 Top They Property and 1
Exeter Trust Ltd 11 %	months botton 9 720/ Ar and
Financial & Gen Sec 101%	Call deposits £1,000 and over
Wirst Not Tin Corn Tolds.	
First Nat Sec Ltd 12196 5	Mortgage base rate.
Robert Fleming & Co 101%	Demand dep. 6.35%, Morgane
	, 12.25%.



ENTE NAZIONALE PER L'ENERGIA ELETTRICA (ENEL)

U.S. \$100,000,000

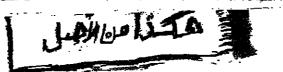
Floating Rate Debentures due 1987 Convertible at the holders' option into

91/2% Fixed Rate Debentures due 1995 Guaranteed by the Republic of Italy

In accordance with the provisions of the Debentures, notice is hereby given that for the six months Interest period from 30th April. 1986 to 31st October. 1986, the Debentures will carry an interest Rate of 75% per cent per annum and that the interest payable on the relevant Interest Payment Date, 31st October, 1986 against Coupon No. 12 will be U.S. \$367-36.

The Sumitomo Bank, Limited





# UK COMPANY NEWS

retained Capital's stock market dividend in about eight years quotation and Mr Gordon confirmed yesterday that he would includes substantial minority

# Liberty Life offshoot in £138m expansion rights

like to seek an eventual listing for Transatlantic.

Transatlantic's rights amounts

ordinary shares of 6p for this

The decision not to offer the

preferred ordinary shares at a discount is balanced by the more attractive dividend for

Transatiantic Insurance Holdings, the unquoted UK offshoot

ings, the unquoted UK offshoot of Liberty Life Association, the South African isurance group, is raising £137.5m via a rights issue in London.

The aim of the rights is to widen the shareholding of Transatlantic. This would reduce the 75 per cent holding of Liberty Life and prepare Transatlantic for acquisition in the area of financial services. Mr Donald Gordon, Transatlantic's chairman said yesterday.

Last July, Liberty, operating through Transatlantic, won a £173m contested takeover bid for Capital and Counties, the UK property group. Liberty

Anglo United's

Conditional proposals for a

stymied yesterday when Burnett rejected a demand by Anglo for a close look at its books. group, appeared to have been

Burnett said its rejection had the support of its major creditor — the banks which last

year put together a rescue pack-age for the company and now

own some 75 per cent of its

Anglo United, which is a small opencast coal mining com-

pany, made its proposal condi-tional on Burnett providing it by May 9 with detailed infor-

mation on the company's affairs

— particularly areas that con-

But Burnett said yesterday

"It would not be in share-

holders' interests to provide commercially sensitive informa-

tion on Burnett's business to a competitor," it added.

Anglo's proposals would have involved the banks receiving less for a class of restricted ordinary shares than they paid for them, though the company

was also offering immediate re-payment of £20m of loans.

that the information contained in its report and accounts for

Setback for

**Burnett** bid

By Martin Dickson

# this class of share. Mr Gordon said that he expected the true ordinary shares to catch up in **Acquisitions help Barham** profits to jump £0.8m

Barham Group, the fast grow- mean further investment in ing media and communications market research and the adverservices concern, hoisted pre-tax profits from £582,000 to £1.4m for the year ended January 31, 1986. Turnover more than doubled to £11m, against £4.95m. £40m takeover bid by Angle-United Development Corpora-tion for Burnett and Hallam-

against £4.95m.
The group's results include for the first time a full year's profits from the acquisitions made in 1984, and a contribution of £82,379 from Fleet Street Publications (investment in short) and Carlo Williams tip sheets) and Cocks Williams son Associates (market re-search) from the date of their

search) from the date of their acquisition in January. 1986.
Stripping out the impact of new acquisitions, the underlying profits growth over the year was some 30 per cent.

Mr. Norman Fetterman, the chairman, says the results reflect the actions taken during

the past three years. Trading so far this year is in line with tributed to last year's crisis— and on Anglo being satisfied with the health of the business. expectations and the board is confident of a further improve-\_ growth profitability. the year to March 1985, and last December's letter to share-holders giving details of the rescue package, provided a pro-per public disclosure of its affairs.

Earnings per 2.5p share advanced from 4.72p to 8.2p. The final dividend is 1p net, on capital increased by the December placing and rights, making a total of 2p — a 67 per cent rise over the previous year after addressing for the characters. after adjusting for the share sub-division

The company is still looking for bid expansion moves within its existing areas, which could

holdings in Sun Life Assurance Society, the life company, and Continental and Industrial Trust, the UK investment trust. to 50m preferred ordinary sbares on the basis of one-for-two for each ordinary, priced at 275p and carrying a 12p get dividend. This compares with Mr Gordon said that he was interested in expanding into mortgage financing and invest-ment trusts too, modelling Transatiantic on Liberty Life's Success in South Africa as a proad-based financial services Depending on institutional

response to the rights, Liberty Life's stake in Transatlantic, held through a company called Conduit, would drop to around

market research and the adver-tising businesses.

Crunching through the figures for a company growing by acquisition as fast as Barham becomes a slightly academic

exercise except perhaps for one core fact — organic growth was running at 30 per cent last year. If that rate can be achieved

this year the group looks well on its way towards £3.8m with the aid of the latest buys. Fleet

Street Publications and Cocks

Williamsons — only in for two weeks in these numbers —

should chip in £14m this year while Marcus Bohn, acquired

last month, could provide a further fim. But the acquisi-

tions will not stop there. With

£21m in the bank the company

is already hoping to lock up a couple of deals by next month;

one a market research company and the other a typesetter

together making around £800,000 a year pre-tax. Yet

these are almost small fry to the "big deal" the executives are looking to sink their teeth into. They talked to Brook

Street, before Blue Arrow agreed a deal, and have chased after Brunning to no avail—but they will land a large deal

eventually. At 166p the prospec-tive rating of under 17 is not aggressively priced.

comment

backs in two areas, garden products which contributed film less at £1.74m and in property development which saw profits tumble from £1.62m to £195,000. Advances were made, however, in insurance broking and shipping which contri-buted £647,000 (£402,000) and

£2.02m (£1.57m) respectively. Engineering returned a static £3.44m.
Interest costs were down slightly at £2.18m. against £2.22m, while investment income grew by £525,000 to

Ropner

down by

A DOWNTURN in the second

half of 1985 has left Ropner's profits £1.57m short of the

record £7.97m achieved in the

Ropner, the chairman, says

that the company has done well to reach £6.4m although

it has been disappointing to see the good start in the first half—profits rose from £3.21m

to £3.97m-not being main-

experienced

Mr Jeremy

profits

£1.6m

previous year. However.

Earnings per share were 14.9p (17.7p) after tax of £2.82m (£3.43m). An unchanged 4p final dividend is proposed, making a total 6.5p (6.25p). comment

The overall out-turn was a disappointing one for Ropner disappointing one for Ropner but the market was braced for the news and the shares barely responded. Garden products were an inevitable casualty of last summer's weather, but the biggest blow came from property development where there were delays in finding buyers for completed developments. Both these divisions should perform significantly better perform significantly better this year but downturns seem likely elsewhere: engineering could see a highus between income from the Ptarmigan project and the development of new products, while shipping, at present riding the crest of a wave of long-term with sea the first of crest of a wave of long-term charters, will see the first of these expire in 1986. Take in a return to normal levels of investment income and the group will be hard put to beat £7.3m, putting the non-voting "A" shares, unchanged at 130p, on a prospective p/e ratio of 6 after a 35 per cent tax charge—a level reflecting the general lack of interest. lack of interest.

Blue Arrow in £1.5m purchase

Blue Arrow has purchased Reliance Cleaning Contrac-tors (London) and its nine subsidiaries for £1.54m. The deal has been financed by the issue of 417,288 new ordinary 25p shares at 327.5p each and

# BOARD MEETINGS

TODAY					
Interim	-tivė	∵ Qa	ks in	vesun	ints,
Jessups.	Kaysı	Sno	investo	nėńts,	TH
Abstralia	invest	im <b>i</b> mi	Trust	Tate.	and
Lyla.		1			
				-	

Robert Fleming, Anglo's mer-chant bank, said last night that Trust. Bryson Oil and Gas. Cooper Industries, Costein, FR, Fernell Electronics, Foseco Mineep, Hunting Associated Industries, Jersey General Investment Trust, London United Investmenta, Shilph, H. C. Silngaby. it would be approaching the banks to make sure of their atti-tude and would like further dis-

FUTURE DATES	-	}
Interims—	May	12
Barlow Rand	May	26   21
Deks Simpson	May	1
Finals— Atkins Brothers (Hoslery)		· 1
Extel	May	

### COMPANY NEWS IN BRIEF

man, Mr David Stevens, purchased 750,000 ordinary shares in the company at 336p on April 23. The annual report shows that the chairman's remuneration was substantially rengineration was sinsantiarly increased from £56,467 to £134,861 per annum. The highest paid director also received a big increase from £82,135 to £148,045. The report also shows that payments due under Express Newspapers' reduction

SUTER has increased its hold-ing in Newman Industries to tax profits plunged from £1.03m 9.125m ordinary shares (7.23 per cent).

Sales

**Trading Profit** 

Earnings per Share

Interim Dividend

February 28 1986, and profits subsidiary, produced operating cent stake in five years' time of \$435,000 (£197,000) after tax losses. were in excess of those pro-jected in its placing document. A first and final dividend of 2.15 cents is proposed.

YEARLINGS: the interest rate for this week's issue of local authority bonds is 91 per cent, down of a percentage point of the report from last week, and compares payments due with 12th per cent a year ago.

Newspapers' The bonds are issued at par and are redeemable on May 6 1987.

A full list of issues will be published in tomorrow's edition.

KWIK SAVE

Substantial progress

in the half year

(The unaudited figures of the Group shown above, are for the 26 weeks ended 1st March 1986)

We now trade in 437 stores plus 38 Arctic freezer centres

and 94 wines and spirits units. We are now introducing

Best of Cellars as the trading name for our wines and

spirits units.

From 15th May 1986 copies of the half year report will be available from the Company Secretary, Kwik Save Group PLC, Warren Drive, Prestatyn, Clwyd LL19 7HU.

£383,004,000

£18,583,000

7.64p

1.8p

which makes computerised telephone systems, has in-creased taxable profits from £2.76m to £3.2m in 1985 on turnover ahead from £10.11m to £13.01m. The final dividend is raised from 2.88p to 3.5p for a total of 5p (4.2p). Further improvement is expected in 1986 from the European subsidiaries, but the performance of the South African offshoot is dependent on the current level of the rand being maintained.

SUTER has increased its holding in Newman Industries to 9.125m ordinary shares (7.23 to £22,000 in 1985 and there is no final dividend—an interim of 0.5p compares with previous year's 2p total. Turnover was had 40 per cent of its shares quoted on the USM since last September, increased its sales by 27 per cent to \$2.67m to \$

+13.8%

+20.7%

+31.0%

+28.5%

ALBANY Investment Trust had ALBANY Investment Trust had a net asset value of 132.75p per 20p share at February 28 1986, against 112.92p a year earlier. The increased final dividend of 2.5p (2.2p) makes a total for the year of 3.5p (3p). After tax of £90.287 (£77,930), net revenue amounted to £188.121 (£160,372).

EXCO INTERNATIONAL has paid £2.7m cash and £6.2m in loan notes for an 89 per cent stake in LM (Moneybrokers), which was set up to take over the moneybroking business previously carried on by Laurie, Milbank and Company. Exco has injected £10m of further capital into LM.

VIKING RESOURCES Trust's net asset value fell to 55.28p at end-March 1986, against at end-March 1986, against 111.4p a year earlier. Net profit, after tax of £417,000 (£343,000) was £836,000 (£505,000), for earnings per share up at 2.09p (128p). The total dividend is lifted to 2p (1.15p), with a 1.45p (0.65p) final.

COLORGEN, the start-up com-pany which assembles and sells low-cost automated colour matching products, reports a loss of \$751,000 for the six months to end-December 1985 on turnover of \$207,000 (£134,000). The company is a USM stock,

WILLIAM BOULTON Group. the machinery manufacturer, incurred further losses of \$428,000 pre-tax, against \$265,000, in the six months to end-December 1985 and is passend-December 1985 and is passing the preference dividend due at the end of this month. Turnover for the period was £3.79m, which compares with a reported £9.58m and £4m for continuing businesses only. Loss per share was 1p (1.1p). The last ordinary dividend was paid in 1983.

# MAJEDIE

Investments PLC

The Company's unaudited net asset value, including listed investments at market value, was 255p per share at 31st March 1986.

The comparative figure at 31st December 1985 was 235p per

This advertisement complies with the requirements of the Council of The Stock Exchange.



# Midland Bank plc

(Incorporated with limited liability in England)

£250,000,000 **Subordinated Floating Rate Notes 2001** Issue Price 100.10 per cent.

The following have agreed to subscribe or procure subscribers for the Notes:

Samuel Montagu & Co. Limited

Goldman Sachs International Corp. Merrill Lynch international & Co. Salomon Brothers International Limited

S. G. Warburg & Co. Ltd. **Bank of America International Limited** 

Bank of Tokyo International Limited **Banque Paribas Capital Markets Limited** Caisse Nationale de Crédit Agricole **County Bank Limited** 

**Deutsche Bank Capital Markets Limited EBC Amro Bank Limited** Hambros Bank Limited

Kidder, Peabody International Limited LTCB International Limited Morgan Stanley International Norddeutsche Landesbank Girozentrale

Shearson Lehman Brothers International, Inc. Swiss Bank Corporation International Limited Trinkaus & Burkhardt KGaA

**Bankers Trust International Limited Barclays Merchant Bank Limited** Commerzbank Aktiengesellschaft Creditanstalt-Bankverein Dresdner Bank Aktiengesellschaft Fuji International Finance Limited E F Hutton & Co (London) Limited Lloyds Merchant Bank Limited Morgan Grenfell & Co. Limited Nippon Credit International (Hong Kong) Limited

**IBJ International Limited** 

Morgan Guaranty Ltd

Bank of China

Sanwa International Limited Société Générale Takugin International Bank (Europe) S.A.

Union Bank of Switzerland (Securities) Limited

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the Notes to be admitted to the Official List. Interest is payable quarterly in arrears in February, May, August and November, commencing in August,

Particulars of Midland Bank plc and the Notes are available in The Extel Statistical Service and copies of the Listing Particulars relating to the Notes may be obtained during usual business hours up to and including 2nd May, 1986 from the Company Announcements Office of The Stock Exchange and, up to and including 14th May, 1986, at the addresses shown below:

Cazenove & Co., 12 Tokenhouse Yard. London EC2R 7AN.

Greenwell Montagu & Co., Bow Bells House, Bread Street, London EC4M 9EL

Midland Bank plc, Poultry,

Citibank, N.A., 336 Strand. London WC2R 1HB.

30th April, 1986

# venture capital never die



The fact is that the search for venture capital

And the depressing consequence is that some viable projects end up with quite unsuitable capital structures, while others are abandoned altogether - simply because decisions weren't available quickly enough. A group of major British venture capital funds

agreed that this was hardly satisfactory. Hence we decided to form a unique, new

organisation. The Cardill Consortium.

A joint operation, based in Cardiff, offering you one point of access to seven single or syndicated sources. And accordingly, offering you fast, clear and realistic decision making.

(Not to mention highly cost-effective legal and other advisory services.)

Fortheright kind of project, anywhere in the UK. Send us the coupon for more details.

And the sooner, if we may say so, the better.

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CONSORTIUM

THE

Send to: Norman Myerscough, The Cardiff

Consortium, Pearl House, Greyfriars Road,

Cardiff CF1 3XX.

# RAP RAND MINES PROPERTIES LIMITED



(Incorporated in the Republic of South Africa)

Registration No. 68/01239/05

A member of the Barlow Rand Group

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 MARCH 1986 The unaudited consolidated results of Rand Mines Properties Limited ("RMP") and its

subsidiaries for the six months ended 31 March 1986 are set out below.

Income Statement				
	Six months ended 31 March 1986 R000	Six months ended 31 March 1985 R000	Change	Year ended 30 Sept 1985 R000
Turnover	36 707	34 812	+5	75 276
Operating profit/(loss);  —Property  —Sand treatment	(404) 10 417	3 678 6 041	+72	8 874 14 406
Interest received	10 013 1 507	9 719 3 245	+3 -54	23 280 6 265
Interest paid	11 520 47	12 964 163	-11 -71	29 545 321
Profit before taxation		12 801 3 235	-10 -9	29 224 7 938
—Normal —Deferred		5 224 (1 989)		6 098 1 840
Profit after taxation	8 536	9 566	-11	21 286
Shares in issue (000s) Earnings per share (cents) Dividends per share (cents)	69	12 403 77 17		12 403 172 65
Balance Sheet				
		31 M	areh 1986	30 Sept 1985

Shares in issue (000s) Earnings per share (cents) Dividends per share (cents)	12 403 69 17	12 403 77 17	12 403 172 65
Balance Sheet			
		31 March 1986 R000	1985
Source of Capital Share capital and reserves Long term liabilities Deferred taxation		. 513	547
		126 877	120 757
Employment of Capital Fixed assets Property development, townships and mi Current assets	ne residue:	5 35 790	35 090
Stocks and stores Debtors Cash and gold on consignment		1 648	11 310
Total assets			142 308 21 551
Interest bearing Other			97 21 454
		126 877	120 757
Salient features Net asset value per share (cents) Liabilities to equity Current rauo		977	925 0.19 1.54
Notes: L Review of results			ended Year ended ember 30 September

			_
•	<del></del>	_	
Sallent features			
Net asset value per share (cents)		977	925
Liabilities to equity		0.16	0.19
Current ratio		1.51	1.54
Notes:	Sir m	onths ended	Voor ando
1. Review of results		SU September:	
Sand treatment	1986	1985	1985
Operating results	1000	1900	1300
Sand and slime treated (000 tons)	2 633	2 686	5 313
Gold produced (kg)	1 243	1 290	2 624
Yield (grammes per ton)	0.47	0.48	0.49
Revenue (rands per top treated)	11.91	10.33	9.82
Cost (rands per ton treated)	6.93	6.23	6.14
Working profit (rands per ton treated)	4.98	4.10	3.68
Gold price received (rands per kg)	25 038	21 234	19 571
	R000	R000	R000
Revenue	31 377	27 736	52 179
Costs	18 253	16 724	32 649
www.tl	13 124	11 012	19 530
Working profit	2 707	2 647	5 124
Amortisation	2 101	2 047	0 124
Operating profit	10 417	8 365	14 406
		4.00=	
Capital expenditure	10 189	4 005	5 663

The adverse economic conditions which continued during the period under review resulted in the property market remaining depressed. Gross revenue from township land sales for the six months ended 31 March 1986 totalled R2.4 million (31 March 1985 R7.9 million).

Profits to 31 March 1986 do not include those arising from the sale of land in the proposed township of Ormonde extension 13. The profit before tax on this sale, amounting to approximately R1.9 million will be included in the results for the second half of the financial year provided proclamation of the township is achieved during the current

 Prospects for the year It is esumated that the group profit after taxation for the year will be of the order of R17 million, equivalent to 137 cents per share. This estimate assumes an average gold price, in rand terms, of R22 250 per kilogram for the remainder of the year, and gross revenue of R11 million from township land sales which includes proceeds from the sale of land in the proposed township of Ormonde Extension 13. It is anticipated that the property market will remain depressed and consequently property profits will be considerably less than those foreseen at the end of 1985 when the annual report was published.

Capital committeed	Six months ended 31 March 1986 R000	Six months ended 30 Sept 1985 R000
Contracted	4 545 45 752	7 252 44 659
·	50 297	51 911
Capital expenditure has mainly been committed to plant at City Deep, the construction of which is prog	the erection of ressing satisfactor	the new gold

4. Interim dividend

An interim dividend of 17 cents (1985: 17 cents) per share has been declared in terms of the accompanying dividend notice.

D. T. WATT J. R. FORBES Directors A. B. HALL

Johannesburg 29 April 1986

DECLARATION OF DIVIDEND No. 20 Notice is hereby given that dividend number 20 of 17 cents per share has been declared in South African currency as an interim dividend in respect of the year ending 30 September 1986, payable to members registered at the close of business on 23 May

The register of members of the company will be closed from 24 May to 1 June 1986, inclusive, and dividend warrants will be posted on or about 27 June 1986. The rate of exchange at which the dividend will be converted into United Kingdom currency for payment by the United Kingdom registrars, transfer agents and paying agents will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 24 May 1986 on which foreign currency dealings are here applicable, non-resident shareholders' tax of 15% will be deducted from the

By order of the board

Johannesburg 29 April 1986 Registered Office 5 Press Avenue Crown Mines 2092, South Africa (P.O. Box 27, Crown Mines 2025-South Africa)

Transfer secretaries Rand Registrars Limited Corner Northern Parkway and Handel Road Ormonde, Johannesburg 2091-South Africa (P.O. Box 82549, Southdale 2135 South Africa)

Secretary United Kingdom secretaries Charter Consolidated Services Limited 40 Holborn Viaduct London EC1P 1AJ

United Kingdom registrars, transfer and paying agents Hill Samuel Registrars Limited 6 Greencoat Place London SWL, 1PL

# puts £39.2m value on Westbury

By Lucy Kellaway

THE PROSPECTUS is published today for an offer for sale of shares in Westbury, one of the country's largest housebuilders.

Kleinwort Benson is selling 10.9m shares at 145p, to value the company at £39.2m. Of the £15.8m proceeds of the sale. £12.9m is being raised by the company, which will be used to reduce borrowings.
Westbury operates in the
South-west of England, the
Midlands, and in Wales,
building houses mainly for
first-time buyers, although it
has recently been building
more expensive detached
houses which sell at prices of houses which sell at prices of up to £100.000. Since it was established

29 years ago, Westbury had been run as a family group until it was bought out by its management in 1984. Four senior managers, backed by institutions including 31 and the Prudential, bought the company for £12m and proceeded to implement reduc-tions in overheads, and build up the company's land hank. During the last five years, Westbury has seen steady in-creases in its unit sales, in turnover and in profit. From £31.5m in 1982, turnover has climied to £58m in the year to February 1986, while pre-tax profit over the period has grown from £2.2m to

At the offer price, the shares are on a p/e ratio of 111 and yield 4 per cent. The application list opens on May 7. and dealings being on May

The broker to the issue is Panmure Gordon. comment

The institutions that backed Westbury's management buy-out did a very wise thing. In less than 18 months, they have made a profit of more than 100 per cent, achieved partly by the manager's efforts in making the company a trimmer, more efficient concern, but mainly by the boom conditions in the house-building market. It would be too much to expect that those who back the company now get an equally good deal, While the remarkable health of the industry is likely to persist for at least another year, this is well reflected in the sector's rating. However, Westbury has been appropriately priced relative to its competitors, but unlike others in the sector, offers undiluted exposure to housebuilding, and by any ordinary standards the issue is likely to go well. In addition to growth from first-time buyers in the parts of the country in which it is well established, a further boost will come from more expensive housing as well as by the planned move into new areas.

### **NatWest** confident

The UK's economic growth prospects had been boosted in recent weeks by reduc tions in oil prices, interest rates and in inflation, Lord Boardman, chairman of National Westminster Bank, told shareholders at the annual meeting yesterday, and he was confident of NatWest's prospects for 1986. He was also encouraged y the willingness of leading industrial nations to work together on economic issues, and said that NatWest, although the least exposed of the "Big Four" UK banks to the 31 countries generally regarded as "problem situe regarded as "problem situa-tions," was working with international institutions to

find solutions. Natwest was also investigating how to develop the Budget proposal for Personal Equity Plans to help the small investor, he said, and welcomed the halving of the Government premium en borrowing under the Small Firms Loan Guarantee Firms Scheme.

FT Share Information

The following securities have been added to the Share Information Services: BPP Hidgs. (Section: Newspapers, Publishers). Devenish (J.A.) 4.5pc Conv. 2nd. Pref. (Beers, Wines and Spirits).

Entertainment Production Services (Leisure).
Gold Greenlees Trott (Paper,
Printing and Advertising).

Hanimex Corp. (Leisure). Jarvis, Porter (Paper, Printing and Advertising).

Lawrence (Walter) 8lpc Conv. Cum. Red. Pref. (Building, Timber and Roads). London Shop Prop. Trust 91pc Conv. 1999/2004 (Property).

Menvier Swain (Electricais), Templeton, Galbraith and Hansberger (Trusts, Finance

> LADBROKE INDEX 1,386-L392 (+20) Based on FT Index Tel: 01-427 4411 From Monday 28/4/86 Trading bours will be 9.05 am-9.0 pm

# Offer for sale Tootal meets forecast at £27.4m

AS FORECAST early in its year Tootal Group reported pretax profits for the year to the end of January 1986 of £27.39m. It was an increase for the Manchester-based textile company of 20 per cent on the previous year's £22.85m.

Mr Alan Wagstaff, chairman, had predicted profits of more than £27m as part of the defence against the bid from Entrad, the Australian textile group, which failed in April last year. The result was achieved on

turnover down by 11 per cent to £388.04m against £435.36m. Earnings per share came out at 9.4p (7.5p) and the directors are recommending a final divi-dend of 2.5p (1.87p) making a total for the year of 4p, against 3.1p last time Directors say the profits were reduced by £2.7m because of adverse exchange rate movements. Mr Wagstaff says he is looking to a satisfactory

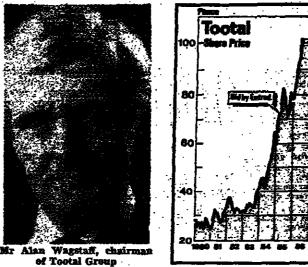
increase in earnings and dividend in the present year.

Intensive planning has resumed on expansion, the directors add.

Trading profit came out at £31.52m (£28.29m) with contributions of £17.56m (£20.42m) from thread, £8.54m

interest charges were £6.23m (£6.84m).

(£20.42m) from thread, £8.54m The tax charge was £7.58m (£4.07m) from textiles, £3.88m (£6.57m) and minorities took (£2.05m) from clothing and £2.89m (£2.71m).



£3.92m (£3.38m) from non- D comment wovens. Related companies This is the first squeaky clean added a further £2.09m, up set of results that Tootal has from last time's £1.4m, and the produced for years This is the first squeaky clean set of results that Tootal has produced for years no extraordinary items, no face-saving property sales. The market responded by adding 5ip to the share price which rose to 102p yesterday. The

stayed off the worst excess of adverse currencies. Nonethe. less Tootal lost £2.8m in pretax profits from these results. The thread division isred worst of all, although its probworst of all, sithough its problems were compounded by a
static market in the US.
Textiles fared well, however,
buoyed by unexpectedly strong
performances from home
furnishings and Wax Baths.
Within clothing, Tootal has
been one of the few Marks and
Spencer suppliers to benefit Spencer suppliers to benefit from the Rayner regime. Having spent much of the early 1980s curbing costs. Total is now poised for the costs. Tootal is now poised for growth. Nonetheless the City expects pedestrian profits of £30m this year, leaving the company at a discount to the textile sector with a prospective p/e of 10. Given that Tootal's activities are conceptrated in low growth areas, its rating will never match that of the Vantona Viyesias. The company counters that staving off the Entrad bid absorbed much of the management's effort and energy last year and that now Entrad—and Jacob Betheridd hour naturated is Rothschild have retreated it can set its sights on acquisitions

# Land Securities £100m debenture in bearer form

BY LUCY KELLAWAY

Land Securities, the biggest store sector of the retail property development group in market. During the last year the UK, yesterday announced it made a number of the first major debenture issue acquistions, and has announced in bearer form, a response to a series of development plans, changes in the Budget which The money will cover recent have reduced the attractions of expenditure and give the group issuing debentures in their room to move forward in the usual registered form.

In this year's Budget, all debentures were brought within the stamp duty net, except for those in bearer form. The first such issue, made last

week by Great Portland Estates which raised £25m in bearer form, is dwarfed by yesterday's

Land Securities is raising £100m in 10 per cent First Mortgage Debenture £tock 2025. It will be added to a similar issue made last November to which a convertible option will be added making the two issues be added, making the two issues interchangeable. Since November Land Securi-

ties has raised a total of £300m in long term debt which it is using to fund its move into the expanding warehouse and super-

The full details of recent purchases will be contained in its annual results due next month. At the interim stage, profits to September 1985 were up by 20

per cent to £54.2m.

The debenture, which is being placed by J. Henry Schroder Wagg was priced yesterday at £105.523, with £25 payable now and the balance due in August. The gross redemption yield is £46 payable propagation of £55.525. 9.46 per cent, a margin of 0.55 per cent above a comparable gilt edged stock.

EDINBURGH OIL & Gas USMquoted oil and gas exploration, production and investment company, incurred a £151,000 (£819,000 restated) pre-tax loss in 1985. There is no dividend (0.15p)

# Norscot Hotels given boost by Clan acquisition

directors say that had it not been for the three hotels in-volved in the acquisition, Nor-scot's profits would have been down as a result of one of the worst summers on record.

THE ACQUISITION of Clan & comment Hotels last. Angust enabled Norscot Hotels to improve its pre-tax profits by 27 per cent from £495,000 to £627,000 in the year to January 26 1996. The collapse in the oil price must cloud the set of the collapse in the oil price must be the set.

The group also received very to a room which was all rather little benefit from the provision of accommodation for personnel involved in the Scottish North Sea oil industry. During the involved in the Scottish North trade. While that filled the previous year, income from this previous year, income from this margins were not the same and

collapse in the oil price might mean that its fuel oil bills will ease at some point but for la year the cloud looked fairly impenetrable in that the old men disappeared and they were men willing to bunk four

source amounted to £641,000.

Group turnover for the year was 36 per cent higher at £4.18m compared with £3.08m. The compared with £3.08m. The compared with £3.08m. The pre-tax figure was after interest that the old my tent £204,500 to £176,000.

A final dividend of 12p makes the total for the year 2.4p. Stated earnings per 50p stories are the first full year results from Norscott sines it joined the Unlisted Securities Market last April.

Would have been down. However, even without the oll my learn well makes took well placed for 1986: Cancellations by US tourists may become a fact of 12p life but they account for under 20 per cent of volume so Norscott is not about to panic With Clan in for a full year prefits could reach £750,000 which makes the historic p/e of 91 look a little lame. More acquisitions will come. sitions will come.

This announcement appears as a matter of record only.



## Tenneco Inc. (Incorporated in the State of Delaware, U.S.A.)

U.S. \$200,000,000

Euro Commercial Paper Programme

Merrill Lynch Capital Markets Morgan Stanley International Shearson Lehman Brothers International

April 1986

# ACCOR

1985 PROFITS UP 25,5%

The Board of Directors of ACCOR mast on April 15, 1988 to examine the 1985 financial statements.
Group consolidated sales amounted to FFr 11,769 million, up 19,8% over 1984. International operations represent 45.5% of these figures. The Group's abare in consolidated net after tax income came to FFr 20.5 million, compared with FFr 162 million in 1984. Excluding exceptional items, net cernings grew 25.5% reaching FFr 178.2 million. Taking into eccount the shares issued subsequent to bond conversions and the carcines of warrants, stur-tax earnings per share before exceptional items rose 18.2% from FFr 16.11 in 1984 to FFr 19.04. Cash flow amounted to FFr 58.5 million, up 33% over 1984.
ACCOR garent Company pra-tax sales amounted to FFr 1,055 million and net income to FFr 58.6 million, to be hald May 27, 1985, the Board will propose payment of a net dividend of FFr 5.80 per share (plus a FFr 2.90 tax credit for a total yield of FFr 8.70). This dividend in terms of sales, results and cash flow, ACCOR's 1986 performance accessed the year's targets.

A PROMISING OUTLOOK FOR 1986

More than 30 new hotels will be opened in cities around the world including Sofitels in Chicago and Mismi, Novotels in Madrid, Athens, Zurich, Ghent, Nouskohot, Cap Vert, Luxor end Petrays (Theiland), and bits hotels in San Francisco and Utracht.

Construction will begin on approximately the same number of hotels during the year, in addition, 10 one-star "Formule 1" hotels will be opened in 1986.

Thirty-five commercial metaurants will be opened in 1986. More than 150 new contracts for institutional catering should be signed.

The "Ticket Restaurant" meel voucher operation will strengthen his position as world leader, with vouchers issued passing the 500 million mark.

Other events include:

The purchase of the shares held by the Compagnis Le Henin in Sphere (bis-Urbis hotels) giving the Group a 94.4% interest in this company.

The tekeover (together with SARI and BOUYGUES) of the majority interest of the CNIT company in Paris. Le Défense:

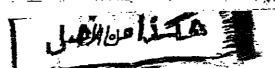
The founding of a company specialised in managing recreation altes.

At the end of the first quarter, the Group's total sales and profits increased satisfactorily, surpassing the targets set for this year.

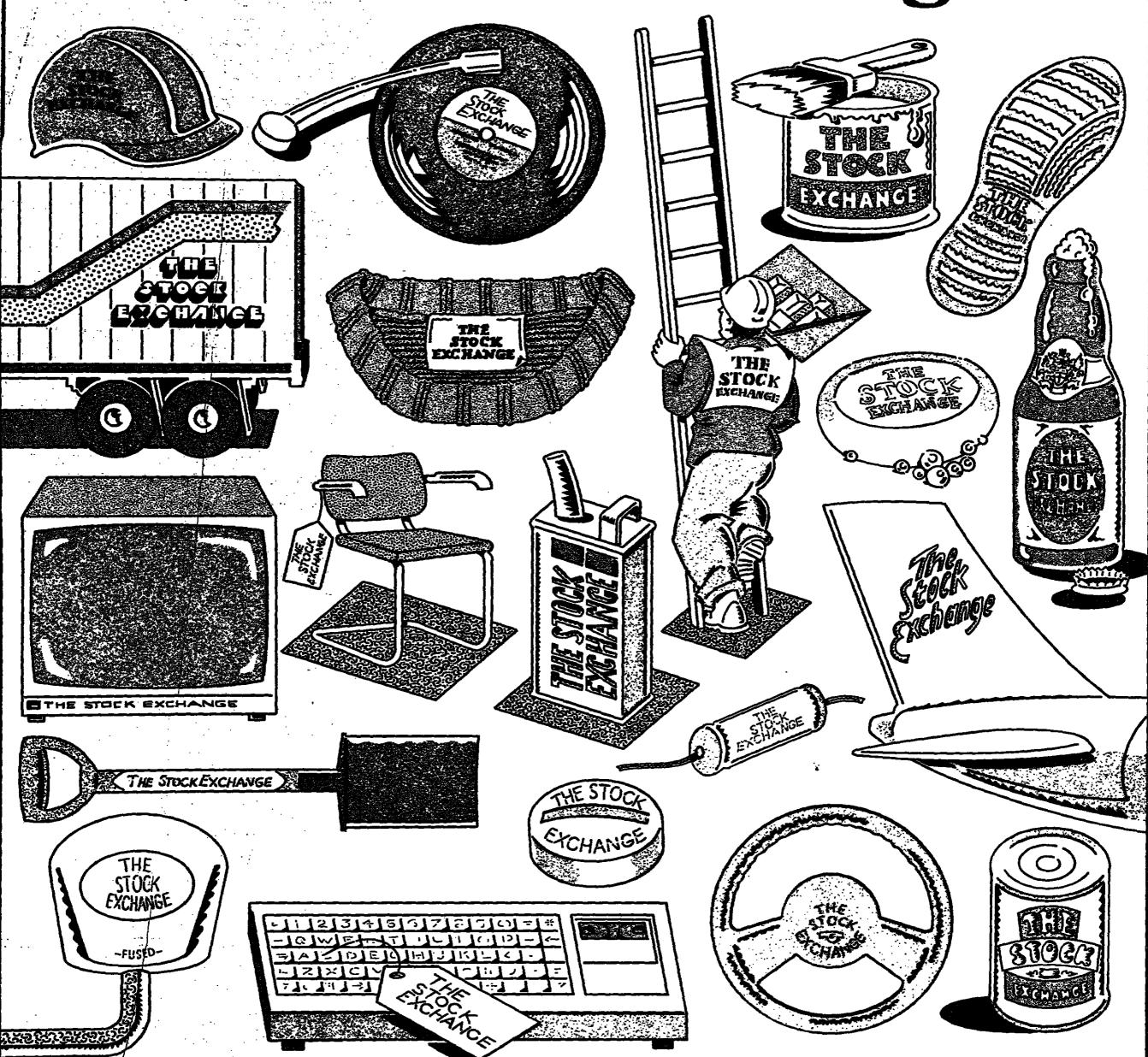
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h Low Company Price Change (118 Ass. Brit. Ind. Crd. 131 121 Ass. Brit. Ind. Crd. 133 121 Ass. Brit. Ind. Crd. 136 122 Arraptung Group 72 29 Armittage and Rhodes. 29 29 Armittage and Rhodes. 29 128 Armittage and Rhodes. 20 128 Armittage and Captage 320 128 Armittage and Captage 320 128 Unitage. 4 11 128 Armittage 320 128 Armittage 



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£4.8 billion of new investment-most of it to

enable companies to expand and to modernise.

Nor was 1985 an exceptional year In 1984, the sum was even larger-and the signs are that in 1986, it will be larger still.

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# PHH GROUP, INC.

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Sterling Commercial Paper Programme

S. G. Warburg & Co. Ltd. has been awarded a mandale to act as

Dealer in the above programme when regulations permit.

# Redfearn shows further recovery at six months

Despite over-capacity in the comment

Jacques Vert on target with £1.7m

acutely competitive but courageous rationalisation at group's ability to derive the courageous rationalisation at the 150 per cent rise in the full benefits from measures Redfearn National Glass has share price over the last year taken, the directors believe seen it through the worst and has not run out of steam yet.

WITH BOTH divisions in the black, Redfearn National Glass was able to swing from losses of £88,000 to profits of £34,000 pre-tax in the opening half of 1985-86.

Earnings emerged at 5.16p (losses 11.4p) and shareholders are to receive an interim dividend of 1.5p net, the first such payment since 1982.

Looking ahead, the directors say falling energy costs and reducing inflation are welcome. They plan to continue their emphasis on cost continuent and increasing productivity to meet market opportunities and point out that the experience of the past six months has increased their confidence.

Despite over-capacity in the comment and increasing productivity to meet market opportunities and point out that the experience of the past six months has increased their confidence.

Comment

Redfearn is in a sound position for further development in selected areas of the packaging industry.

Last year's second half marked an exceptional bounce back from losses and Redfearn may find this performance hard to beat, but the combined effect of lower energy costs, increased further benefits from a £234,000 interest charges should help see the group well on the way to matching it. Some £2m for the £23.4m, but there was a swing from losses of £484,000 to profits of £286,000.

The plastics division returned with last time's losses of £23 per cent stake overhanging the market and a question mark over the scope for solid growth once recovery is comment there is a factor of the past six months has increased their confidence. matching it. Some £2m for the full year on a tax charge of 10 per cent would have the shares, up 7p at 210p, on a prospective p/e ratio of 7. Two factors are suppressing the rating: the sight of Ron Brierley's 23 per cent stake overhanging the market and a question mark over the scope for solid growth once recovery is complete. However, there is glass container industry and the resulting severe market The glass industry remains enough confidence in the new conditions which will affect the acutely competitive but management to suggest that management to suggest that the 150 per cent rise in the

Cecil Geesturned to profits in the secon half of the 56 weeks to Junary 25 1986, boosted by property sales. After reporing losses of £894,000 in the first half, the USM-quoted retailer and designer of len's clothing had pre-tax profits of £510.000 with a surplin on property sales of £2.9h of which £2.1m came from the sale of its Oxford Stret branch to Marks and Spener. Turnover for the period was £23.31m. In he previous 52 weeks the company made £822,000 on tunover of £20.65m.

Earnings per op share came out at 5.8p (.9p) and the single final divided is to be maintained at 2.4.

Directors blamed the lower performance on investment in the last 2. expansion of the see 2 division the benefits of which

should begin to be sen in the present year.

Mr Michael Gee, chalman, says the present year has started well and the future is seen with confidence. seen with confidence.

Operating profit was £1.2m
(£780,000) and the pre-lax
figure was struck after
interest charges of £443,00
(£263,000) and exchange
losses of £68,000 (£281,90)
gains). Last time there was
investment income of £29,000
There was no tax charge

There was no tax charge against £44,000 last time, when there was also an extraordinary credit of £571,000.

# Jacques Vert, the women's Turnover in 1985-86 rose 24 As foreshadowed, there is no fashionwear group which joined per cent from £8.51m to dividend — had the company's the USM in December, hoisted £10.54m, with exports continue shares been quoted for a full

Yorkshire Bank chairman

the USM in December, hoisted pre-tax profits from £647,000 to \$11.71m\$ for the year ended January 19 1986. The result compares with the prospectus forecast of not less than £1.65m. The directors say they are confident that the company will be able to report continuing substantial growth during the current year and beyond.

£10.54m, with exports continuing to rise at almost the same rate as other sales. Shoes and leather accessories, which are recent additions to the company's range, have been well received and for the Autumn season the company has further extended its range to include co-ordinated jewellery.

**APPOINTMENTS** 

vice chairman in 1981.

UNIT ROMES, the house-building wing of the Alfred Booth Group, recently acquired by Mowlem, has been reorganised. A new north Thames division has been formed and We Cally

year, a net payment of 5.5p would have been recommended. Gross profits were some £1m higher at £3.8m. Expenses took £2.06m (£1.76m)

After tax of £723,000 (£21,000 credit) stated earnings per 10p share were up from 7.91p to 11.52p.

Mr Roy E. Freacher has been appointed to the board of FIRST INDEPENDENT CORPORATE FINANCE

At the annual meeting of the NATIONAL ASSOCIATION OF SCAFFOLDING CONTRACTORS Mr David Brown was elected president of the Association for 1985/87. The NASC's new senior vice president is Mr Michael vice president is Mr Michael Osmiston and the treasurer, Mr Osmiston ..... David Flood. \*

\* A new north Thames division has been formed and Mr Colin In a joint venture Dillon, Read Ltd. together with Dillon, Read and Co. Inc. of New York, have formed DILLON, READ INTER-NATIONAL ASSET MANAGE-ELLIS AND EVERARD has appointed a new group chief accountant. He is Mr Norman Simpson, who was previously chief accountant with Ellis and Everard (Chemicals), the group's UK distribution, division.

> GRANVILLE AND CO. has appointed Mr Nicholas Harvey, Mr James Wesley and Mr David Williamson as assistant direc-

BRITANNIA BUILDING SOCIETY has reappointed Mr John Onipp as theirman and treasurer responsible for cash made Mr Norman Cowburn, a former managing director of the for finance matters in Continental for the former managing director of the for finance matters in Continental treasurer responsible for cash made with the former managing directors. Society, its deputy chairman. Western Europe. He takes up Mr Edward Wallaker, the former his appointment on May 6 and deputy chairman, is retiring the point of the control deputy chairman, is retiring. Mrs Elisabeth Ross joins the

Mr Sidney Wild will retire on August 31 as chairman of investment management service to and Mr Raymond White Mrs P. A. Perhas and Mr D. Corkshire Bank, a position to institutional clients focusing to institutional clients focusing becomes financial director for Bridges have become executive on European equities. Mr Robert the reshaped house-building directors. Mr A. J. W. Frond and Mr R. E. Palk have been appointed chief operations.

CALOR GROUP has appointed Mr R. J. Barry, Mr R. W. Picker-ing and Mr C. B. Richardson

At HASBRO INC Mr Anthony
J. Parkinson has been made
senior vice president-corporate
development, international, based in London.

VICKERS has appointed Dr Tony McCann to the board from May 22. He has been director of planning since 1980. He was appointed president of Vickers America Holdings Inc in January.

EBC AMRO BANK has appointed Mr Anthony Lund as its new chief executive from May I. He is executive director of International in London and a managing director of Shearson Lehman Brothers in New York.

Mr Adrian R. Auer is to join the head office finance depart-ment of IMPERIAL CHEMICAL INDUSTRIES as a corporate treasurer responsible for cash

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Mr Brian Black, chairman and \* WILLIS FABER has made the following appointments to the oil and gas division of its principal international bloking sub-

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Art Galleries

### Motor Cars

Mr Sidney Wild will retire on August 31 as chairman of YORKSHIRE BANK, a position he has held since 1981. He will be succeeded as chairman by Sir Richard Fease. Sir Richard became a Barclays Bank local director in Newcastle in 1987 and, in 1970, chairman of the Newcastle board and a vice chairman of Barclays Bank. Sir Richard joined the Yorkshire Bank board in 1977. becoming the Newcastle board in 1977. becoming the Barclays Bank of the Alfred Booth Group, recently acquired by Mowlem, has been reorganised.

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Company Notices NOTICE TO NOTEHOLDERS/ BARRANTHOLDERS AICA KOGNO COMPANY, LIMITED AICA BOOK 1. L'S \$20,000,000 Constanted Notes due 1990 7% per cent. Gustratteed Notes due ! Re: Paying & Warmer Agent The Buck of Yokobasas Ltd. Loodon

the Bunk of Yokoliman Led. London Please he advised, pursuant to the Paying & Warrant Agence, agreement dated 27th August 1985, Classe (1)(E), as of the 21st April 1986, the above puryun agenta address has been changed to: Landon ELEV SDE THE TOKAI BANK LIMITED, LONDON BRANCH, PRINCIPAL PAYING & WARRANT AGENT

AUSTIN REED GROUP PLC NOTICE IS HEREBY GIVEN that the Register of Members will be CLOSEO and the registration of transfers of All Classes of shares will be suspended from 19 May to 25 May 1986 both dates By Order of the Board G. J. TUBB, Secretary.

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Clubs

Appointments

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> Box A0135, Financial Times 10 Cannon Street, London EC4P 4BY

On the 18th April 1986 the Board of Directors of Renown Incorporated met and approved the following Report: ANNUAL BUSINESS RESULTS

**RENOWN INCORPORATED** 

(audite) and on consolidated basis) Year ended 31st December, 1985 1985 (4 million) (\$ thousand) Net sales 228,964 220,878 1,144,820 Operating profit 7.806 6.882 34,410 Ordinary profit 11,863 11,516 59,315 Net profit 6,623 -6,822 33,115 Net profit per share ¥45.71 ¥41.16 \$0.21 Rate of net profit 6.8% 8.0% 6.8% Total assets 181,372 158,863 906,860 Total shareholders' equi 97.433 85.041 487,165 (53.7%) (53.7%) (53.5%) (per share) (Y605.49) (Y589.68) (\$3.03%) Note: 1. Dollar figures are translated from Yen for convenience only. 2. Exchange Rate: ¥20) = U.S.\$1

Copies of the Annual Repert in English will be despatched shareholders who have a registered address in the United Kingdo Northern Ireland towards the end of May.

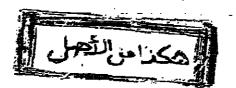
US\$200,000,000 Lloyds Eurofinance N.V. rated in the Netherands with limited liability)



Lloyds Bank Plc (Incorporated in England with (mited liability)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds furofinance N.V., Lloyds Bank Limited, and Gibbank, N.A., dated October 27, 1981, notice is hereby given that the Rate of inverse has been fixed at 75,06 p.a. and that the interest payable on the relevant interest Payment Data October 31, 1986, against Coupon No. 10 will be US\$183.68 per \$5,000 Note. By: Citibank, N.A. (CSSI Dept.). Agent Bank





# FT LAW REPORTS

# Employment rights not lost by late return from holiday

IGBO v JOHNSON MATTREY CHEMICALS LTD Court of Appeal (Lord Justice Slade, Lord Justice Parker and Lord Justice Nourse): April 23 1986.

AN AGREEMENT between employer and employee that the employee will be dis-missed antomatically if she returns late from holiday is invalid in that it limits the operation of employment pro-tection legislation by convert-ing her right not to be un-fairly dismissed into a cou-ditional right.

Section 140 of the Employment.

Section 140 of the Employment Protection (Consolidation) Act 1978 provides: "(1)
Except as provided by the following provisions in this section, any provision in an agreement . . . shall be void in so far as it purports—(a) to exclude or limit the operation of any provision of this contract of employment.

If Mrs Igbo was to succeed Ashraf must be overruled.

It was contended that section 140 of the Employment Protection (Consolidation) Act 1978 rendered yold the agreement that Mrs Igbo's contract would automatically terminate if she failed to return on September 128. tion of any provision of this 28.

Nigeria and for that purpose to have three more days holiday than was her contractual en-

She was granted an extension on the terms of a letter from the company dated August 18 1983 on condition that she agreed to return to work on September 28 1983. The letter stated "If you fail to do this your contract of employment will automatically terminate on

Mrs Igbo signed a copy of the letter agreeing to accept the terms and conditions.

return to work on monoay.

October 3, as she felt unwell.

The question under section

The manager said she should report for work the following the holiday agreement had the effect of excluding or limiting

On September 28 the coma DHSS Sickness Benefit Claim Form stating she was unfit for work because of "air sickness vomiting and stomach pains" and that she intended to start work on Monday, October 3. Later on the 28th the com-

pany's personnel officer wrote to Mrs Igbo stating that, as she failed to return to work that been dismissed within the day, her contract of employment meaning of section 55 had the was terminated in accordance company turned her off on

with the terms of the letter of August 18.

August 18.

Mrs Igbo forwarded a medical certificate covering the period of absence caused by sickness but the company decided not re-engage her. She applied to the Industrial Tribunal alleging she had been unfairly dismissed.

The industrial tribunal decided Mrs Igbo had not been dismissed. She appealed to the Employment Appeal Tribunal It was important to dispose

The industrial tribunal decided Mrs Igbo had not been dismissed. She appealed to the Employment Appeal Tribunal (EAT) which dismissed her appeals. She riow appealed. It was important to dispose of any idea that fermination of a contract of employment by The industrial tribunal and the EAT concluded that Mrs Igbo was not dismissed, on the ground that the case was in-

ditional right.

The Court of Appeal so held when allowing an appeal by Mrs Agatha Igbo from the judgment of the Employment Appeal Tribunal upholding an Industrial Tribunal's decision that she had not been dismissed by her employer, Johnson Matthey Chemicals Ltd.

Section 140 of the Employ-

tion of any provision of this Act..."

Section 54: "(1) ... every employee shall have the right not to be unfairly dismissed ..."

Section 55: "... (2) ... an employee shall be treated as dismissed ... if ... (a) the contract ... is terminated by the employer ... by notice or without notice ..."

LORD JUSTICE PARKER, giving the judgment of the court, said that Mrs Igbo was employed by the company from 1976 to September 28 1983.

In August 1983 she wished to go on holiday to visit her husband and children in Nigeria and for that purpose to have three more days holiday in many years with an immaccable record might, for

ployed for many years with an impeccable record might, for example, be knocked down by a car within feet of the factory gate which he was about to enter at the proper time. If he managed to crawl to the gate and was promptly sent home by the employer in an ambulance his contract; would not terminate... If he could not move and was taken away without getting to the gate, his contract would terminate. terminate.

To say of an employee who failed to return to work in such circumstances that there was a consensual termination of the she went on holiday and returned to the UK on September 26. She then felt ill. On Tuesday, September 27, her daughter telephoned the common sense. There would be nothing consensual about it. The pany's manager to ask it it employee's desire throughout would be in order for her to work on Monday.

Ottober 3 as the felt intwell.

The omestion under section

the operation of any provision of the Act. Mrs Igbo contended that the be over-ruled.

provision for automatic terminaion of the contract on failure to return to work had the effect of excluding or limiting the operation of section 54 and 55. It was clear that but for the provision for automatic termination Mrs Igbo would have

fixed term contract was ter-minated by consensual agreement on expiry, yet non-renewal constituted dismissal under section 55(2)(b). Every contract subject to termination by notice terminated by agreement if the employer gave proper notice, yet such termination consti-tuted dismissal under section

Hence, if on August 18 Mrs. Igbo and the company had agreed that her contracts should end on September 28 without more, she would have had a contract for a fixed term and non-renewal on that date would

If the company's contention was correct the whole object of the Act could be easily defeated by including a term in a con-tract of employment that if the employee was late for work on the first Monday in any month, or any day, no matter for what reason, the contract should automatically terminate.

It could not be said that such a provision did not limit the operation of sections 54 and 35. It would vitally limit the operation of section 54(1) for the right not to be unfairly dismissed would become subject to the condition that the employee was on time for work on the first Monday of each month, or every day, as the case might be. Where, as in the present case, such a provision was intro-duced by way of amendment to

an existing contract, its limiting effect on the operation of sections 54 and 55 was even clearer. Until Mrs Igbo signed the holiday agreement she was entitled to the full benefit of those sections. Having signed the agreement, if valid her position was radically changed. Up to September 27 the operation of the sections was not affected, but their continued operation there after became subject to the condition that she reported for condition that she reported for

work on September 28.
In such circumstances it was impossible to avoid the conclusion that the provision for automatic termination had the effect if valid of limiting the operation of the sections. It was, therefore, void by virtue of sec-tion 140. Ashroj's case was wrongly decided and must now

The effect of the automatic termination provision was the same as if it had said "in the event of failure to return to work on September 28, termina tion of the employment on that ground shall not constitute dis-missal under section 55," or "shall not give rise to any claim for unfair dismissal." Any such provision would without doubt have been void

as limiting the operation of the sections. There was no ground for saying that a provision which had the like effect did not limit such operation.

The question was whether a provision for automatic termina tion on failure to report for work on a specified date introduced by way of variation of a subsisting contract, had the effect of limiting the operation of sections 54 and 55.

To hold that it did not was impossible when the effect was to convert a right not to be unfairly dismissed into a con-ditional right not to be infairly dismissed.

The appeal was allowed. For Mrs Igbo: Jane Walker (Stuart A. West & Co). For the company: Brian Reith (Taylor Garrett). By Rachel Davies Barriste

FT CROSSWORD PUZZLE No 6,010

DANTE

ACROSS 1 Exemplary piece of instruc-

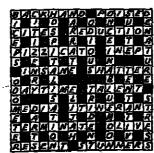
- 10 Church eminence (7) 11 Possibly train as a singer (7)
  12 Allowance cut in proportion
- 13 Figure how much property
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  getting awry (5,8)
  14 Travelling drama director? I'm coming into (8)
  15 Flight path designed to carry
- jet (10) 16 Sign on the staff (4) 18 Flat-iron? (4)
  20 Mere agents might make them (10)
  22 I leave the law to the big
- guns (8)
  24 Information that is to be found in the Arabian Nights
- 26 Sufferers find it painful in 26 surerers and it painted in the extreme (7) 27 It's read with feeling (7) 28 Gambling on ship's move-ment? (5,3,4)
  - DOWN
- 2 Meat and drink for the ail-
- ing? (4.3)
  3 One has a job to get money from one (8) 4 Restrictions imposed for cup
- matches (4) 5 Simple way in which the affluent live (4,6)

- 6 Deserted area is in a bad way (5) 7 Game with Game with two esse elements of tennis (7)
- 8 Loyalty the French under-stand (6,2,5) 9 It will prevent the sheets
- (5-5) 17 He's bound to better himself elsewhere (8)

  19 Finally attained a high posi-
- tion (5.2)
  21 Puzzle no more (7)
  23 Anything that sounds obligatory (5)
  25 Black bone structure (4)

Solution to Puzzle No. 6,869



# CHEMICALS AT THE **CROSSROADS**

The Financial Times proposes to publish a Survey on the above

PUBLICATION BATE JUNE 3 1986

For an editorial synopsis and advertising details please contact:

William Chrtterbuck on 01-248 **9**000

The Survey date is subject to change at the Editor's discretion

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# US grain markets poised for fresh supply surge

BY DAYID OWEN IN CHICAGO

maize from tomorrow, when the Credits should ensure that the US Government is due to start additional grain comes on to the advance payments to farmers market in a steady trickle under the 1986 support pro-rather than a sudden flood.

maize certificates which the recipient can sell on the free member. This year we don't market. More than 350m see that happening. The in-kind bushels of maize and about the same amount of wheat are expected to be released in this way. Many farmers in spite of

taken into account.

With new season crops already trading at a substantial discount on Chicago futures markets, in response to Washington's push to slash domestic prices levels, and the overall postponing bulk purchases outlook bearish, farmers are expected to sell their certificate effect.

BY STEFAN WAGSTYL

the exchange.

Metal Exchange could be held

back by the proposed intro-

duction of a clearing house at

The LME, which decided to

replace its principal-to-principal trading system with a clearing

house in the wake of the tin crisis, has been advised that the

clearing system should be allowed to bed down before

discussion paper sent to the LME by the International Com-

modities Clearing House, which

has been asked to set up and run the LME's clearing system.

The document has been circulated to LME members including both ring-dealing and

non ring-dealing companies, for comment. The LME board and

committee wants members to reply as quickly as possible so that it can reply to ICCH's proposals by the end of May.

Time is short. The LME needs

to have a clearing house in action by the beginning of next

year in order to satisfy the requirements of the Securities

LME opens up

clearing system talks

THE POSSIBLE launch of empowered ICCH to

THE POSSIBLE launch of empowered ICCH to pass traded options on the London information to the LME about

ptions are introduced. would pay interest, bank
The suggestion comes in a guarantee, treasury bills or
iscussion paper sent to the possibly metal warrants. Subse-

systems.

OVER-SUPPLIED US grain entitlements quickly to secure markets are bracing themselves the highest returns. However, for another influx of wheat and delays in the issue of some

Under the scheme, a proportion of the payment will be made in fixed value wheat or maize certificates which the said one analyst at Stotler and Co, a Chicago Board of Trade payments are enough to con-tinually relieve any tightness." Some traders are more posi-

tive, believing the market has already discounted the likely planting reduced acreages to planting reduced acreages to already discounted the likely qualify for deficiency payments, may effectively have more wheat and maize to sell than last season if the certificates are taken into account.

With the processor of the certificates are taken into account. buying heavily in recent weeks, and Brazil expected to import record maize tonnages due to importers, however, continue to buy only for immediate need.

those companies' market

LME trades would be cleared

All positions would have to be covered by an original margin payment roughly equal to an anticipated day's move-

ment in price. Margins could be paid on cash, on which ICCH

quent variation margins would

be paid in cash or approved

securities.
ICCH could, in consultation

with the LME, change margins

to reflect the volatility of

A fee of 15p a trade is suggested—compared with 7.5p charged by ICCH to members of the London International

up to 35p charged to members of some soft commodity markets

on the London Commodity Exchange. The higher charges

reflect more complex clearing

requirements of the Securities systems.

and Investments Board, which is being set up by the Government trader which left the LME in the wake of the tin crisis, is the wake of the tin crisis, is wide-ranging proposals:

The discussion papers makes cutting 30 of its 50 staff.

The firm, which has been run the ring-dealing members as a partnership for many years, would need to become ICCH is also turning itself into a clearing members. Non-ring-the imited liability company under the reason Phillipp & Lion, a metal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the most vulnerable is coal purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the spot market is a spot market in the wake of the tin crisis, is purchased on the spot market or under contracts about to expire. However, Chase Mannettan says coal suppliers will not just walk away from the purchased of the country is a spot market in the spot market in the purchased of the country is a spot market in the purchased of the country is a spot market in the purchased o

daily. They would be matched

Dry weather in main wheatgrowing regions is proving a further short-term shot in the further short-term shot in the arm. One trader said the weather was proving difficult for wheat. "Maize is only 50 per cent planted, though it is less affected." When anticipated rainfall failed to materialise on April 28, Board of Trade wheat prices for May deliveries closed up 6.5 cents on the day, widening further the cash market's premium to futures prices.

But with mid-season wheat stocks at a record 2.54bn bushels (much admittedly tied up in government price - support storage schemes) and US grain exports in the five months to the end of February down a hefty 15 per cent on year earlier levels, few seriously expect the price situation to continue. "With maize supply this year probably in the region of 11bn bushels, one analyst put the

maximum estimated price at \$2.30 a bushel. "You can't

escape the fact there's just too

Oil price fall slow to

hit world coal trade

much of it about," he said.

BY MAURICE SAMUELSON

lating economic growth could increase demand for coal-fired electricity, in spite of the harm

1986, the report says that even if oil prices fail to recover from

their present levels, coal sup-pliers will feel only a limited

In spite of the level of spot

prices, the report suggests if

crude oil prices recovered to

\$15 a barrel in the second half

of the year, the amount of coal traded internationally in 1986

could exceed last year's 335m tonnes. If it stays at the present \$10.812 per barrel level, it could

The international coal trade is shielded from the immediate

impact of the coal is sup-

plied under contracts which limit the consumer's ability to

respond quickly to the chang-

impact this vear.

fall to 319m tonnes.

ing oil situation.

futures prices.

Chicago CHINA plans to start trading grains and metals futures on the Chicago Board of Trade at an appropriate time, a top Chinese trade official said, Reuters reports from Peking. Sun Hauchao, deputy director of the International Trade Research Institute of

China

link with

the Ministry of Foreign Economic Relations and Trade, sald China had not traded on the market before but planned to do so "under the right conditions." CBT is the world's biggest futures market and expects to trade 100m contracts worth an average \$60,000 this year, Karsten Mahlmann, CBT vice-chairman, said. It specialises in craims and oileand futures. In grains and oilseed futures, silver futures and options, gold and financial futures.

The ITRI yesterday signed a memorandum of understanding with the board for a programme teaching ITRI officials how the CBT works. China became a big maize exporter last year, selling 6.34m tonnes abroad. Sun said 1986 maize exports would not be lower than in 1983.

In the steel industry, how

ever, demand for metallurgical coal could also be affected by

the attractiveness of injecting

cheap fuel oil into blast-

The cheaper the oil, the greater the ability of South Africa's coal industry to ex-

of sales.

GAS users in many countries

ther fuel markets. National Utility Services, the

international tariff analysts based at Groydon, Surrey, reports gas price cuts ranging from 1 per cent in Canada, where oil is historically much

The most vulnerable is coal are benefiting from falling surchased on the spot market prices as cheaper oil affects or under contracts about to ex-

### LONDON **MARKETS**

ZINC prices rose sharply on the London Metal Exchange yesterday followin; the announcement of unexpected producer price increases by several European smelters. Metallgesellschaft of West Germany led the pack in the morning by increasing its price to \$730 a tonne from \$700, and others swiftly matched that level. This prompted trade buying and short-covering on the LME, and three - months metal

ended £14.25 up on the day at £450.50, comfortably above its level over the last two weeks. Some analysts said, however, that the move by European producers looked premature, with dollar equivalent prices on the LME still hovering below the \$700 level, and below the \$700 level, and that they may have to rescind the increases soon. On the London Commodity Exchange, sugar futures were boosted by fears—emanating from New York—that the Soviet beet crop may have been damaged by the nuclear accident near Kiev. Cocoa futures continued their recent slide and touched new

cent slide and touched new three-year lows during the day.

LME prices supplied by

Amalgamated Metal Trading.

### ALUMINILIM

.Un	1114101	¥£		Barley Fut Sept	1 08.863
Unofficial + or close(p.m.) - High/lov 2 per tonne 761-3 + 8.5 1761/754 hitchic closing (am): Cash 764-5), three months 754-5 (748-8.5)	Highilow	Malze Wheat Fut July No. 2 Hard Wind OTNERS	£144,00 £116.00		
nths			761/754	Cocoa Ft. July Coffee Ft. July	1306.5 2294
5), tl	ree mont 795 (7	hs 754-5		Cotton A Ind." Gas Oil June Rubber (kilo) Sugar (raw) Wooltops 64s	47,10c \$135,25 54,50p \$198,5y 415p kilo
rnove	r: 6,900 ta	onnes.		+ Unquoted	Dec 76 th

### FALLING oil prices by stimu- freight, are related to oil COPPER

electricity, in spite of the harm	In addition to the higher de- mand for coal-fired electricity	close - Righ/low
other parts of the energy	stimulated by isoproved economic growth, the cheaper oil	5 months* 932.2,5 -5,75937,931
market, Chase Manhattan Bank said in its monthly coal report.	could also indirectly benefit coal demand by strengthening	
In a review of prospects for international coal trading in	the markets for steel and cement, both of which are	(929-9.5), three months 231.5-2.5 (943-3.5), settlement 925 (929.5).
1986, the report says that even	strongly reliant on coal	Final Kerb close: 935-6.

ploit its price advantage against its main rivals in Australia and	
the US and so overcome the growing political barriers	Unofficial + or discover (p.m.) — High/low
erected against it in Western Europe. The South Africans, capable	Cash 233-4   -4.85 ,256,5 3 months 241-1,5   -4.85 ,244,5;240
of exporting 40m tonnes a year of power station coal, can cut prices to match or beat even \$9 a barrel oil prices, and so gain up to an additional 5m tonner	Official closing (am): Cash 236-6.5 (239-9.5). three months 242-3 (246-5-6.75). settlement 236-5 (239-5). Final kerb close: 242-3. Turnover: 5,950 tonnes. US Spot: 18.75-20 cents per lb.

### NICKEL

	Unofficial + or iolose(p.m.) - £ per tonne	High/low
Cash 3 months	2565-70 + 10 2625-30 + 23,5	2640/2905
(2595-600) (2640-1), Final Kerb	closing (am): Cas, three months settlement 2570 close; 2634-35.	h 2565-70 2619-20 (2600).

KUALA LUMPUR TIN MARKET: Close 14.57 (14.61) ringgit per kg. Down 0.04 ringgit per kg. ZINC

High grade	slose(p.m.) —   spertonne		High/low	
Cash 3 months	439-40 450-1	+14.8  +14.25	436 455/440	
(430-30.5). (441-3). Final Kerb	, three settlemen close: 4 : 6,400 t	months t 436.5 52-2.5. onges.	US Prima	

### GOLD

Gold rose just \$1 an oz from
Monday's close in the London bullion
market yesterday to finish at \$34512-
345. The metal opened at \$3421-343
and traded between a high of \$346%-
347% and a low of \$341% 342%. Trading
was rather quiet and uneventful with
little incentive to push the metal
outside its recent treding range.
BOLD BULLION (fine ounce) April 29
Close, \$34512-346 (£282-28212)
Onening \$342 is 347 is 201 to 00 00

Close 834512-346	(£222-2221 <sub>2</sub> )
Opening., \$34219 348	(£22114-222)
M'nrg fix, \$342,35	(£220,985, "
Aft'n'n fix \$342.48	(2220,793)
GOLD AND PLATIN	UM COINS
Kr'g'r'nd, \$34412-345	(£222 \$324)
12 Krug. \$18212-1834	(£1171e-1181e)
14 Krug. 59234-9334	(£593, 601g)
1/10 Krug. \$3712-3812	£241, 243g)
Maple(saf \$354 354 \square	£228 228 is i
Angel \$35312-85512	(£3274 229)
1/10 Angel 835 40	(£2212 254)
New Sov., 182-621 <sub>2</sub>	(252-4534)
Qld Soy. 587 89	(£56-571 <sub>4</sub> )
820 Eagle 8425-475	(\$278 \ 306)
NobiaPlat 843412 45912	(£280-2854)

### SILVER

Silver was fixed 5.6p an ounce lower for spot delivery in the London buillion market yeaterday at 324.4p. US cent equivalents of the fixing levels were spot 502.5c, down 6.9c; six-month 518.55c, down 7.45c; and 12-month 535.5c. down 7.0c. The motal opened at 3247-326p (502.504c) and closed at 328-329-p

SILVER Buillon + or L.M.E.  per Fixing - p.m. troy oz Price Unoffic'i	-or
pot 324,40p -5.60 329,0p   months. 332,45p -5.56 337,0p   months. 339,60p -5.86 - 2 months. 354,10p -5.70 -	+ 2.5 + 2.5

# Three months high 332p, low 329p, final kerb 336-336p.

# RUBBER

PHYSICALS—The London market opened sharply lower, ruled quiet throughout the day and closed uncertain, reports Lewis and Peet, Closing prices (buyers): spot 54.50p (same): June 52.50p (52.75p): July 52.50p (52.75p): July 52.50p (52.75p). The Kwala Lumpur Iob price (Malaysien cents per kg): RSS No. 1 was 195.0 (197.0) and SMR 20 179.0 (182.5). (182.5).
FUTURES—Index 527. June 514-525,
July-Sept 512-514, Oct-Dec 512-514,
Jan-March 526-528, April-June 512-514,
July-Sept 543-553. Sales: 73.

### US MARKETS

	mm/arl /hreseres		_
٠	terranean promp	ted camilo	Œ
	speculative short	-covering	I
	gold, but techi	rical pro	ш
ŀ	taking nared	the gar	ы
	reports Heinold (	Commoditi	85
	Silver reacted it	n line w	Ш
ĺ	gold with an init	isi finery	0
	buying but the	Armer to	
	did not last fo	Howing t	h
	and tolder in an	A Pletin	
	profit-taking in go		_
	ignored the	lawismen	5
	effects and lost gr		
	trading. Copper	COMPANY	
•	attract negative s	encousent o	H
	losses were check	ed by stro	п
	support levels.	COCOR SEW	2
	late rally on teci	men ben	œ
	taking following	the rece	22
	slide Sugar ad	VERCEG I	
•	daily limit in t	ne aererr	5
	positions on a su	the of the	<u> </u>
	and anymitties are		- 3

taking fol alide. Su daily limi positions ( and common on fears	gar ad tin t massu Ission h	vani Le ( rge Oust	ed lefe of t
the Soviet crops.	nuclear	dis	aste
!	0.000 њ	centr	/tb -

TIn	·i	_20		
free mixt	. ESO 07	-20	20000/0	и
Tungsten	245/55		548 54	ŧ
Zinc	£439.5	+14.5	844	í
3 months	£450.5	- 14.5		20
producers -	18700/780		\$850(67	8
QILS		-	٠.	╸
Coconut (Phil)	8258.5x	<b>-2,</b> 6 ,	\$320	
Palm Malayan	\$245z	.,,,,,,i	\$285	
				_
Copra Phil	\$160x	I	\$190	_
Soyabean (U.S.)	\$148x	<u> </u>	\$159	
				_
GRAINS				
Barley Fut.Sept	POR AO	.±0.86	£100 6	5
perior unrecht	16144 00			3

INDICES

REUTERS

DOW JONES

Apr. 29 April 25 M th ago Year ago

1776.4 1781.8 1807.9 1889.8

(Base: September 18 1931 = 100)

MAIN PRICE CHANGES

Free Market ...... \$ 1329/645 + 15 |\$7825/856

Cash h Grade. £919.5 -5.5 £974.5

Barley Fut.Sept Malze Wheat Fut July No. 2 Hard Win	£144.00 £116.00	ناه أحد المسارة	143.00
Cocoa Ft. July Coffee Ft. July Cotton A Ind."		+6.5	2406
Gas Oil June Rubber (kilo) Sugar (raw) Wooltops 64s	\$155,25	—3.25 8: 	110,25 7,75p 213,5
‡ Unquoted, † a pound. v May x May-June. z	Par 75 lb	flask c	Cents June.

prices c selfing, r Pigmeat carcases.	pigment losed los sports Es t sales: 1	wer du latem ( 104 (55	e to Capital- ) lots	ccs1 of 5
PIGMEAT Month	Y'days!	+ or Y	EEF 'days	+ o
April May June	103.50 101.60	O,18 0,70	189.00	-0.8 +4-5
July Aug Sep	(101,90;4	O.49 1	180.IO	-0.3

	COCOA	
•	Futures closed a fittle generally, with narry falling sharpy. No physical interest noted since both producers and sumers were rejuctant to re-ente marker at present levels, reports and Duffuse.	THOSE SON
•	Yesterday's	

COCOX		Done
	£ per tonne	20116
Мау	] 1299-1300   32.0	1876-18 <b>0</b> 0
July	1806-1807 -9.00	1516-1292
ept	1328-1330 8,5	1555-1522
Jeg	1863-1365 -4.5 1392-1393 -2.0	1979-1995 1890-1892
	1410-1413	
uly	1425-1428 +4.0	7425-1428
Sales:	3,929 (3,759) lots	-
icco i	ndicator prices (U	S cents

per pound). Daily prics for April 29: 88.45 (89.02); five-day average for April 30: 90.45 (91.88). COFFEE Futures opened weeker that

range, reports Drexel Bumbam Lambert	Į
Spread trading, particularly in the nearby May position, dominated the	1
volume and although some inter-dealer business was reported, physicals trade was alow.	
COFFEE Yesterday + or Business	ŧ

COFFEE	Close	_	Done
		i	
May	2226-2296) 2293-2246	-1.5 j	224 <b>4-222</b> 9 2510-2286
Sept	2346-2350	+6.5	2560-2558 2407-2385
Jan	2410-2430	-6.6	2430-2425
May	2430-2475	+ 15-0	2450-2440 —
Sales: 5,8	61 (3,172)	1008 - 0	5 tonnes

May
Sales: 5,861 (3,172) lots of 5 tonne ICO indicator prices (US cents p pound) for April 28: Comp. daily 19
195.75 (194.77); 15-day average 191. (190.86).
SOYABEAN MEAL
A mixed trading day was two-up

# nixed trading day saw two-way artial participation along with

	Latest close	+ ör	Business Done
June	122,4-122,8 125,2-125,9 124,5-125,0 127,0-127,5 128,0-129,0	l + O.40i	123,0-122, 124,0 126,0 127,5

GRAINS

Old crop wheat found arratic and nervous short-covering before easing sharoly on commission house long liquidation. New crops steaded before tailing back on short-term profit-taking, reports 7. G. Roddick.

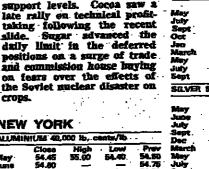
LONDON GRAMUS—Wheat: US dark northern spring no 1 15 per cent, May 125.50, June 116.00 transahipment east coast. US No 2 soft red winter July 91.25. EEC first-half May 137.75. English feed fob Sept 100.50, Jun/Mar 110.50/111.00 paid east coast, customs cleared 122.00 selter, May 120.00/120.50, June 121.00/121.50 Buyer/seller. Oct 103.50 huyer, Oct/Dac 105.50/106.00, Jan/Mar 110.25/111.00 buyers/sellers. Maize: US no 3 yellow/French transahipment seat coast first-half May 144.00, Sarley: English feed fob April 116.00/117.50, May 116.50/118.50 buyers/sellers, Aug 39.00, Sept 99.00 seller.

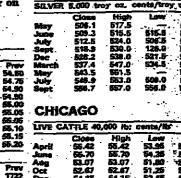
HGCA—Locational ex-larm spot pricas. Feed Barley: S. East 112.20, S. West 111.50, N. West 113.40. The UK monetary coefficient for the week beginning Mondey May 5 (based on HGCA calculations using 5 days' exchange rates) is expected to be unchanged.

BARLEY -0.29 111.98 -0.85 +0.08 98.80 +0.80 +0.28 101.90 +0.80 +0.28 105.15 +0.65 +0.49 107.90 +0.65

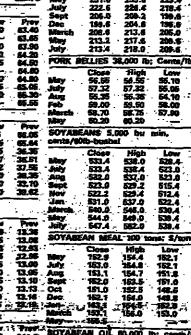
# RUMOURS OF increased US

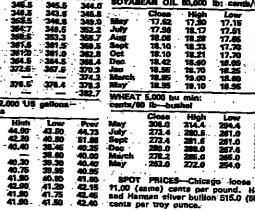
terranean prompted cantles
speculative short-covering
gold, but technical profi
taking pared the gain
reports Helnold Commoditie
Silver reacted in line wit
Stiver rescient in time was
gold with an initial flurry
buying but the firmer tor
did not last following th
profit-taking in gold. Platinus
ignored the fundament
effects and lost ground in du
trading. Copper continued t
attract negative sentiment be
losses were checked by stron
support levels. Cocoa saw
late rally on technical profi
taking following the recen
slide. Sugar advanced th
daily limit in the deferre
positions on a surge of trad
and commission house buyin
on fears over the effects of
the Soviet nuclear disaster o











SPOT PRICES—Chicago loose lard 11.00 (same) cents per pound. Hendy sad Harnes silver builton 515.0 (504.5) cents per troy ounce.

# **POTATOES**

LORDON DAILY PRICE—Raw suger \$198.50 (£128.00). down \$7.00 (down \$5.00) a tonne for April-May defivery. White suger \$216.50, down \$7.00.

Concern over the effects of the USSR nuclear plant disaster produced a strong rally late in the afternoon, reports C. Czernikow.

CRUDE OIL (LIGHT)

April 383.7 381
June 387.3 364
Aug 371.2 372
Out 375.1 Dec 379.2 376
Feb 383.6
HEATING OIL
HEATING OIL
Gents/US maliens

SUGAR

No. 6 Con- tract	Yesterday close	Previous close	Busines
	_	onne F.O.B.	
Aug	197,0-198,8 202,8-295,0	L 194 A.192 e	GRE 4 16
Pec	204,2-294,4 207,0-209,0 209,2-289,8	196_B-198_6	
-May	212,D-214.B 216.0-216.0	203 B-204 A	201.6
Sales	4,696 (	2,626) lot	s. of. \$

1.20 (8.25).

No. 5 cif contract—May 213.0-7.0;
August 220.0-3.0; Oct 222.0-4.4. Sales;
I lots of 50 tonnes.

PARIS—(FFr per tonne); August 1652-1555; Oct 1570-1575, Dec 1680-1600, March 1610-1620, May 1640-1680, August 1660-1700.

CRUDE OIL-FOR (5 per parrel)-May. 9.90-70.00\* +0.05 12.60-12.50 -0.425 18.50-18.60\* -0.20

Ternoyer: 173 (158).

- Clase |High/Low\_ Prev.

# clearing members. Non-ring limited liability company under dealing companies could be the name Philipp & Lion (Holdallowed to become clearing ings) with Philipp & Lion (UK) much flexibility to do so since some 30 per cent in Canada, where oil is historically much dealing companies but only if the LME as its main trading subsidiary. A short cut in sugar transport

HAVE THE E. D. and F. Man high side by the excessive time group and Thomas Nationwide it normally takes to pack sugar ransport gone mad? The two companies, respectively among The bags themselves have the world's biggest sugar trading and transportation groups, have just spent about \$17m (£10.9m) buying and converting an old merchant ship for the bulk shipment of white

With a large volume of shipping capacity laid up around the globe, freight rates plumbcommodity prices struggling to emerge from their worst depression in decades, it hardly looks the most fashionable of investments.
Yet both companies, which

have formed a Singapore-based

man of TNT (UK), the British arm of the Australian-based TNT already has some experi-group, as the Innovator was relaunched last Friday in a blustery Dunkirk. The sees such ventures

has been trading sugar from of late. London for more than 200 years "Once

by what they claim is a key casualties are those shipowners technological advance: the ship's ability to load white markets and outdated trading

This may be the solution to mise the loading and unloading a set of problems that have efficency gains, it will be handling of other commodities.

at the port and load it in bags.
The bags themselves have
tended to suffer damage in
transit, leading to heavy insurance costs.

Other companies-Tate & Lyle, for one, before its interest in exporting substantial amounts from the UK waned in the 1970s—have searched for a way around these obstacles

"Sugar importers in North Africa and the Middle East have been taken to the cleaners for years because of the high freight costs and losses in transit," said Mr Stone.

But with the newly-converted vessel, bought from Lyle Sylp-ping of the UK for \$5.5m and able to carry about 18,000 tonnes nave formed a singapore-based joint venture to run the ship, newly named the CHL Innovator, are making bold claims for its powers and its potential profitability.

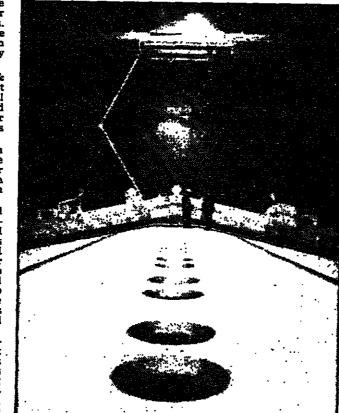
"We believe that the next generation of traders and ship-based will not be able to carry about 18,000 tonnes of white sugar, loading time will be cut to a matter of days rather than weeks. It will be able to bag sugar in its air-conditioned hold and unload its entire carry. "We believe that the next generation of traders and shippers will not be able to contemplate life without this unique trading and transportation tool," said Mr Peter Alisebrook, chairman of TNT (UK) the British that is customary for normal ships of its size.

blustery Dunkirk.

"We are certain that (this) as an important way of adding is a major step forward for the sugar trade," added Mr Michael Stone, chairman of Man, which structure of the sugar trade, and the sugar trade

London for more than 200 years and now handles between 4m and 6m tonnes of sugar a year, one third of it in the form of white (refined) sugar.

Their excitement is explained
Their excitement is explained the common and the common a "Once it appeared that ship-



The Innovator: inside the world's first Bulk-In, Bags-Out refined

tional bulk carriers more com-

ing demurrage and stevedoring looked a profitable venture handling chain. integrate charges—have been kept on the when it was first mooted three It already owns sizeable empire.

years ago, and it still looks pro- coffee plantations in Brazil, for fitable now, in spite of the subsequent collapse in general further investments in bulk freight rates and bunker fuel sugar handling, and it is talking costs which have made convento at least one key North to at least one key North ship's ability to load white sugar in bulk and discharge it in bags, known—with a nod to that earlier innovation, the roll-on roll-off (RORO) vessels—as the "Bulk-In, Bags-Out" (B/1/B/O) concept.

This may be the column and cost-cutting tool. To maximum and cost-cutting tool. T African importer about building

plagued the sugar trade for keeping its voyages short— in earnings from traditional B/I/B/O might be applied to years, and could eventually mainly to countries in North lead to efficiency gains in the Africa and the Middle East.

Mr. Vec. Ropares and traditional both Man and TNT are modity businesses with a slump also actively considering how in earnings from traditional B/I/B/O might be applied to trading operations, is in pursuit other bulk commodities, such bandling of other commodities.

Mr. Vec. Ropares Lat. Both Man and TNT are and to efficiency gains in the Africa and the Middle East. of vertical integration, of as flour, rice, cocoa and coffee, andling of other commodities. Mr Yves Bonavero, head of ownership of all links of the But they have a long way to go Sugar shipping costs—includ- Man (Sugar), says the ship commodity producing and if they want to build up a really integrated commodity shipping

All positions came under keen selling pressure, with continued fine weather uncouraging plenting hopes (Plantings to Friday, April 25 were 42.156 bectares, cf. 69,000 in 1983 and 100,000-150,000 in a normal year). Nearby May moved to limit-down and fell a further £5.00-before lifting off the low on finel trades, reports Coley and Harper. & per tonne May 161.90 180.00 178.09-169.00 Nov 88.00 97.50 94.98-85.9 75.0 105.00 179.09-119.90 131.00 179.09-119.90 144.00 135.98-185.99

GAS OIL FUTURES

1,531 (1,129) lots of .40

4,489 (5,231)

FREIGHT FUTURES Most positions on the dry cargo futures were little changed with the exception of October 1988 and April 1987 which came under pressure. Aithough no grain news was available asser coal trades were noted. Tenker interes steadied but no news was available from a stable physical starket, teports Clarkson Wolf. Close | High/Low | Prav. . Dry Cargo

# CURRENCIES, MONEY and CAPITAL MARKETS

### FOREIGN EXCHANGES

# Dollar confined to narrow range Focus on weaker \$

in very thin trading yesterday, volume was restricted by the closure of Tokyo and further holidays in Europe over the next week. There was also a reluctance to open fresh positions ahead of this weekend's economic summit in Tokyo,

Monday's action by the West German central bank to buy a small amount of dollars served its pesychological purpose in deterring further selling of the dollar although there appeared to be little prospect of any concerted outcome from the meeting with a view to supporting the dollar. Japanese and West German central banks appear to want some period of consolidation in order to allow the recent thorn of the dollar to percolste through. However the US leading economic indicators was much in line with expectations and had little effect on trading.

The dollar closed at DM 2.1755 up from DM 2.1840 and Y187.8 compared with Y187.15. Elsewhere it rose to SFr 1.8185 from stressing that the yen's rise so far was legitimate.

	, -		
£IN	NEW YOR	K	but showing a small improve- ment against its major European partners. There were no new
April 29	Close -	Prev. close	factors to influence trading.  Against the dollar it eased to
1 month 5 months 12 months	61.6535-1.553 0.61-0.48pm 1.35-1.28pm 5.72-3.67pm	0.50-0.48pm 1.52-1.50pm 5.72-3.65pm	
Forward pa	to the U.S. do	iscounts apply iter	from Y260.0 and SFr 2.8250 from SFr 2.8125. Against the French
nracinita	fing ' anoth	ner v Anller	franc it finished at FFr 10.7625 from FFr 10.73.

want some period of consolidation in order to allow the recent sharp fall in the dollar to percolate through. However the US administration has so far given little guidance since President Reagan's statement stressing that the yen's rise so far was legitimate.

While the effects of a lower dollar may ultimately help reduce the US trade deficit, there were growing fears that external support for the US domestic budget funding programme would decline as exchange losses increased. This could lead to a large withdrawal of US funds,

idget ould d crease ige w	for the I funding lecline as executed. This contitudes a contitude of the continue of the contitude of the c	that externa US domestic programme change losses did lead to a f US funds	The dollar clo down from a DM 2.1724 and s tion of DM 2 changed from b DM 2.1700. extremely quie there was no newed activity bank.	fixing in opening in opening in opening in its in i	level of ag quota- ut little close of was day and any re-				
pril 29	Day's spread	Close	One month	% p.a.	Three months	% p.e.	Datta.		
s . anada	1,5465-1,5665 2,1367-2,1470	1.5520-1.5530 2.1400-2.1420	0.54-0.51c pm 0.41-0.30c pm	1.99	1.32-1.25pm 0.96-0.51pm		CURRENCY	NOVE	RENTS
nting. Igiva Inmark	3.78½-3.81½ 68.48-68.90 12.63½-12.51½			2.01 4.28	4½-4½pm 38-30pm 11-8½pm	1.80 3.32	April, 29		Morgan Guaranty Change %
sand . Ger, irtugal	3.35 + 3.38 · 216 - 227	1.1068-1.1078 3.3714-3.387, 221-223	17-14-pf pm 136-375c dis	5.22 -13.78	per-0,20dis. 47,-47,pm 425-1115dis	6,63 -13.87	Starting	76.6	-14.9 -4.9
sain Hy Srway	214.15-215.25 23034-2322 10.673-10.743	214.95-215.25 2311-2312 10.731 <sub>2</sub> -10.741 <sub>3</sub>	15-60c dis 2-7 lire dis 2-3ore dis	2.34	75-190 <i>5</i> :s 10-17dls 87 <del>-</del> 9dis	-2.46 -2.34 -3.26	Canadian dollar Austrias schilling. Belgian franc	78.2 126.9	-13.0 +7.2 -7.0
BRCB MECIED 10841	10.68-10.763, 10.84-10.893, 268-261		3-2%c pm	-0.48	7's-7'spm 's-1'sdis 3.62-3.47pm	2.79 -0.51 5.44	Danish Krone		-1.3 +16.0 +15.7
vitz.	23.61-23.71 2.80%-2.83	23.67-23.71 23.67-23.71 2.82-2.83	13-114gro pm 14-14c pm	6.24	321-28pm	5.20 8.28	Swiss franc Guilder French franc	125,5	+9.5 +9.5 -13.1

DOLLAR SPOT-FORWARD AGAINST DOLLAR

April 23	Day's spread	Close	One month	P.A.		% P-2.
UKt	7,5456-1,5685	1,5520-1.5530	0.54-0.51c pm		1.32-1,28pm	
instandf	1.3965-1.4945	1.3990-1.4000	0.60-0.50c pm	4.71	1.25-1.00pm	3.21
Canada	1,3790-1,3820	1,3790-1.3800	0.72-0.26c dis	-2.09	0.76-0.81dis	-2.25
Nothing.	2.4400-2.4585	2.4530-2.4540	. 0.28-0.25c pm -	1.30	0,92-0.89pm	1.40
Seiglum	44.20-44.42	44.20-44.30	5-Bc dls	-1.90	14-18dis	-1.44
Denmark	8.02 - 8.002	8.057-8.06	hore pm-5 dis	-0.19	-pm-4dls	·
W. Ger.	2,1650-2,1780	2.1750-2.1760	0.43-0.40pf pm	- 2.29	1.27-1.22pm	2.29
Portugal	145-146	145-145-	140-290c dis	~17.73	400-840dia	-17.04
Spain	138.05-138.75	138 55-138 65	69-70c dis	6.63	175-195dis	6.34
Italy	1487-14965	14887-14897-	61_8 line die		23-24 <sup>3</sup> -dis	-6.37
Norway	6.86 - 6.53	6.91 - 6.92	4-47-ore dis		111-12\dis	-6.95
France	6.894-6.944	6.53-6.53	0.45-0.55 <sub>0</sub> dis		1.20-1.40dis	-0.78
Sweden	8.904-7.03	7.00%-7.01%	2 240re dis		Fr-7ude	-3.99
Japan	167.00-167.90	167.75-187.85	0.31-0.28y pm		0.91-0.87pm	2.12
Austria	15.23 - 15.31 -	15.28-15.29	3-2gro pm	1.98	8-6am	.1.83
Switz.	1,8080-1,8225	1.8190-1.8200	0.45-0.40c pm		1.27-1.22pm	
† UK disc	and ireland punts apply to	re quoted in the US della	US currency. I		premiums a dual current	

EXCHANGE CROSS RATES

<u>e</u>	0.544	1.553 1.	3,378 2,176	250.6 167.8	10.76 6,932	2,825 1,820	3,810 2,454	2512. 1489.	2.141 1.379	68.70 44.2
YEN	0,296 3,889	0.460 5.960	12.97	77.13 1000.	8.187 41.31	0.836 10.84	1.128 14.68	684,4 8878.	0.634 8.219	20,34 263.1
FFr. SFr.	0,929 0,354		3.138 1.196	342.0 92.21	10. 3,810	2,695 1,	3.540 1.840	2148 816,2	1.989 .0,758	63.83 24,53
H PL	0,852 0,435	0.407 0.672	0.886 1.461	68.37 112.7	2,825 4,556	0.741 1.882	1,648	606.7 1000.	0,562 0.926	18,07 29,72
C S S PT.		0.725 2.260	1.578 4.916	121.7 379.2	5.027 15.67	2.329 4.112	1.780 6,546	1080. 3365.	3,116	32.0 100.
Yes pe	r 1,000:	French	Fr per	10; Lim	per 1.	.000: Ba	ig Fr	pbr 100	· . ·	

Apr. 25 | Carlo Ca

**EURO-CURRENCY INTEREST RATES** 

April. 29	Short term	7 Days notice	Month	Months	Six Months	Year
Sterling	63g-61g 54-36 53g-55g 71g-8	11-1116 576-7 811-856 516-513- 254-3 434-476 716-756 12-1316	11 14 - 11 14 64 - 514 812 - 832 559 - 534 4 16 - 416 742 - 759 1159 - 1259	104-107 64-67 812-813 54-54 41-44 41-48 74-74 114-1814	97g-10 63g-67g 83g-9 55g-51g 441g 41g-44g 78g-71g 117g-123g	912-956 511-518 534-99 554-518 311-418 412-418 736-744 1214-1234
B.Fr.(Fin) S.Fr.(Con) Yes D. Krone Asian 5 (Bog)	91g-95q 91g-10 61g-65g 75g-81q	914-912 -914-10 554-512 8812 616-715	85g-87g 83g-91g 47g-5 71g-8 67g-7	816-858 8-816 434-416 714-734 616-616	74.8 74.8 411.45 712.75 618-618	736-736 736-716 413-436 714-734 618-618
Long-ter	m Eurotdolia	ina; two yea	r 79-7- per	cent three	years 7-7	per cent; com rates

roor years 74-5 per cent; five years 5-8% per cent nominal. She are call for US Dollars and Japanesa Yen; others, two days' and

# FINANCIAL FUTURES

Attention focused on the weaker dollar, in fairly quiet trading on the London International Financial Futures Exchange yesterday. June US Treasury bonds opened firm at 100-00, continuing the overnight trend in Chicago. The contract touched a high of 100-25, but fell back on late profit taking, to

ŦĒ	LONG	GILT	FUTU	RES OF	TIONS				LIFFE	US TI	EASUI	Y BO	ND FU	TURES	OPTIO	NS .	_
ike		Calle	-Last			Putts	Last		5trika		Calls	Last			Puts-	Lest	
58	June	Sept		Mar	Jume	Sept	Dec	Mar	price	June	Sept	Dec	Mar	June	Sept	Dec	Mar
	71.04				6.00	0.43	_	_	92	8.26	<b>4.35</b>	_	_	0.02	0.61		
Ē		18.20	_	_	0.01	1.00	_		94	6.31	7.02	_	_	0.07	1.28	-	-
ī	7.08		_	_	0.04	1.29	_	-	96	4.64	5 43	_	_	0.20	2.05		_
2	5.17		_	_	0.13	2.01	_	_	98	3.00	4.30	_		0.42	2.56		~
ī	3.39				0.35	2.47	_		100	1.57	3.29	_	_	1.33	3.55	~	_
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(00 (cents per cr)

a Calls—Last

Alay June July Sept

— 34.70 — 34.70

— 23.70 — 23.70

24.70 24.70 — 24.70

19.70 19.70 19.70 19.70

14.70 14.70 14.70 14.70

5.00 5.85 6.45 7.25

(cous day's open interest: Calls 48 Calls—Last Sept Dec 2.76 — 2.26 — 1.77 1.73 1.30 1.29 0.87 0.89 0.50 0.56

**CURRENCY MOVEMENTS** 

D-MARK — Trading range against the dollar in 1986 is 2,4710 to 2,1840. Exchange rate index 136,1 against 128,1 six

Trading was confined to a narrow range in Frankfurt yesterday with the D-mark showing very little change against the dollar. Monday's intervention by the Bundesbank effectively precluded any further downward pressure on the dollar for the time being, at least until after this week's official holidays and the weekend meeting of leading nations in Tokyo. Consequently trading was confined to position squaring amid a reluctance to open fresh positions.

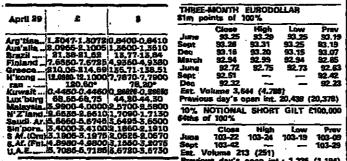
open fresh positions.

months ago.

CURRENCY RATES

C\$/SDR rate for April 28: 1.62553

OTHER CURRENCIES



Close High Low 703-22 103-24 703-19 103-02 2kme 213 (251) EMS EUROPEAN CURRENCY UNIT RATES

Divergence limit % 43.6761 7.91836 2.13834 6.96280 2.40835 0.712956 1496.21 +0.48 +0.59 +0.50 -1.55 +0.67 -0.79 -1.37 ±1.5388 ±1.6408 ±1.1202 ±1.3701 ±1.5081 ±1.6669 ±4.0788 Changes are for Scu, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

## MONEY MARKETS

# London quiet and steady

Trading was very quiet on the London money market yesterday. Three-month interbank closed unchanged at 10½-10½ per cent, as expectations of a cut in clearing bank base rates slipped further into the background. The Bank of England was successful last week in signalling to the market that there should not be another early cut in base rates, and interbank rates have since moved up into line with base rates of 10½ per cent. Dealers commented that the market is nervous ahead of next week's nervous ahead of next week's nervous ahead of next week's like in band 2 at 10½ per cent. Some supply figures, which are not expected to be encouraging and is also waiting to see whether any fresh initiative results from next week's Tokyo summit meeting.

Another £313m bills were chased outright before 1 through £14m bank 2 at 10½ per cent; £4 local authority be like in band 3 at 10½ per cent; £5m bank bills in band £10½ per cent. En the afternoon the Bar England bought £540m bills in band 2 at 10½ per cent. \$210m bank bills in band 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band \$250m bank bills in band 2 at 10½ per cent. \$250m bank bills in band 10½ per cent. \$250m bank bills in band 10½ per cent. \$250m Prime rate 92 Broker loan rate 75 Fed funds 64 Fed funds at intervention 95

The Bank of England initially forecast a money market shortage of £1,000m, but changed this
to £1,100m in the afternoon.

Total help of £1,047m was pro-

The authorities offered an early round of assistance, and at that time bought £84m bills outright, by way of £31m bank bills in band 1 at 101 per cent; £22m bank bills in band 2 at 10½ per cent; £20m bank bills in band 5 at 10½ per cent; and £11m bank to year bills in band 4 at 10½ per cent.

MONEY RATES Ov'r nig't Month Months Months Months In't in 

Another £313m bills were purchased outright before lunch, through £14m bank bills in band 1 at 10½ per cent; £220m bank bills in band 2 at 10½ per cent; £30m bank bills in band 3 at 10½ per cent; £5m bank bills in band 3 at 10½ per cent.

In the afternoon the Bank of England bought £540m bills outright, by way of £3m Treasury bills in band 2 at 10½ per cent; £310m bank bills in band 2 at 10½ per cent; £310m bank bills in band 3 at 10½ per cent; and £25m bank bills in band 4 at 10½ per cent; and £25m bank bills in band 4 at 10½ per cent; and £3m bank bills in band 4 at 10½ per cent; and £3m bank bills in band 4 at 10½ per cent; and £3m bank bills in band 4 at 10½ per cent; and £3m bank bills in band 4 at 10½ per cent; and £3m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 4 at 10½ per cent; £300m bank bills in band 5 at 10½ per cent; £300m bank bills in band 6 at 10½ per cent.

UK clearing banks base lending rate 10½ per cent since April 21 actions adding £135m to liquidity, and a fall in the note circulation of £45m.

Latest High 94.20 94.25 94.31 94.25 94.31 94.25 94.31 94.25 93.31 94.04 93.77 93.83 93.54 93.63 93.42 93.19

93.21 93.30 93.21 93.30 93.21 93.30 93.11 93.19 92.85 92.75 92.65 92.75 92.52 92.33 91.98 92.10

93.25 93.25 93.15

1figh 93.29 93.31 93.20

LONDON

Swe reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationate de Paris and Morgan Gusranty Trust. The fixing rates are the arithmetic means, mended to the astrest one-sixtaenth, of the bid and offered faths for \$10th quoted by the market to

FT LONDON INTERBANK FIXING

LONDON MONEY RATES Over 7 days | Three | Six | night | notice | Months | Months | Months | 9-1054 11 11-11-11-11-11-1

Treasury Brits (sell): one-month 10% per cent; three-months 8% per cent. Bank Bills (sell): one-month 10% per cent; three-months 8% per cent. Treasury Bills: Avarage tender rate at discount 9.8470 per cent. ECGD fixed Finance Scheme IV reference date March 5 to April 7 (inclusive); 11.577 per cent. Local authority and Finance Houses seven days notice, others seven days fixed. Finance Houses Base Rate 12% per cent from April 1, 1986. Bank Deposit Rate for sums at seven days notice 52-5 per cent. Certificates of Tax Deposits (Sories 6); Deposit £100,000 and over held under one month 10% per cent; one-time months 10% per cent; one-

ruary figure, may have been regarded as bearish, but had no

cuts in interest rates, while the slide of the currency continues. Long term gilt futures ended firmer

Puta-June Sept 0.00 — 0.00 0.00 0.00 0.01 0.00 0.01 0.02 0.11 0.10 0.24 Ns 3.051, Puta **CURRENCY FUTURES** CHICAGO US TREASURY BONDS (CBT) 5% \$100,000 32nds of 100% POUND-S (FOREIGN EXCHANGE)

Previous day's open int: 1,772 (1,807)

20-YEAR 12% MOTIONAL GILT £50,000

320ds of 100%

Line 127-02 127-10 125-27 125-17

Sept 127-10 127-16 125-25

Dec 127-09 — 126-24

March 127-05 — 126-24

March 127-05 — 126-20

Est. Volume 9,487 (8,127)

Previous day's open fine 14,410 (13,574)

Basis quota (clear cash price of 13% Teasury 2004/08 less equivalent price of near futures contract) — 4 to 4

(32nds)

7 THREE-MONTH STERLING £500,000 points of 100% Latest High Low 1,5420 1,5480 1,5386 1,5340 1,5380 1,5290 1,5280 7,5380 1,5285 June Sept Dec LIFFE-STERLING £25,000 \$ per £ Close 1.5460 1.5363 1.5273 Est. Vokume 175 (396) Previous day's open int: 1,578 (1,735) STERLING INDEX 9.00 ans ..... 76.5 10.00 are ..... 76.4

93.77 93.75 points of 100%

93.36 93.34

93.17 Sept 91.13 91.15 91.07 91.07

Dec 91.30 91.34 91.28 91.27 91.07

Low Prev St. Volume 2.548 (3.517)

93.52 93.04 US TREASURY BONDS 8%

AR (UMBA)

Close High Low Prev St. Volume 2.548 (3.517)

Previous day's open int: 19,061 (19,180)

AR (UMBA)

Close Nigh Low Prev St. Volume 2.548 (3.517)

Previous day's open int: 19,061 (19,180)

AR (UMBA)

Close Nigh Low Prev St. Volume 2.548 (3.517)

Previous day's open int: 19,061 (19,180) June 93.58 9 June 100-12 100-25 39-29 39-09
Sept 99-19 59-26 59-05 38-16
Doc 98-28 98-17 98-17 97-23
Est. Volume 6,311 (5,285)
Previous day's open int: 7,866 (7,872)

11.00 am ..... 76.4 1.60 pm ..... 76.4 2.00 pm ..... 76.4 3.90 pm ..... 76.4 4.00 pm ..... 76.6

impact.

The weaker dollar has tended to quieten the market, as it has led to suggestions the Federal Reserve will not consider further

Although futures trading was fairly quiet, total open interest on all contracts traded on Liffe passed the 100,000 mark, repre-senting £20bn of business hedged.

Net Asset Value per Share 7 August 1984 - 31 March 1986 \$15.00 \$9.50 (inception)

GAIN: +57.9%

**SYSTEMTREND** 

LIMITED

**PERFORMANCE** 

For further details contact sales agents

Rouse Woodstock Ltd. St. Katharine's Way Tet: 01-481 2121

Telex 8950831/0

FFM Finanz AG Bellerivestrasse 34 8008 Zurich Switzerland Tet 01-2528200

### Company Notices

**NEW ZEALAND** 7.25% 1972-1987 FF 75,000,000 Bonds drawn:

Nos D231.1964 inclusive when taking previous instalments in account.

Sonds presented for rebayment must have their occupions as at June 1. 1987 and subsequent attached and will be paid in accordance with the conditions shown on the bands: Outstanding amount after June 1, 1986; FF 17,000,000.—.

Service Financier Banque Paribas (Luzembourg) S.A. Senior Notes due 1999

IN ACCORDANCE with the provisions of the Notes. Notice is Hereby Green that for the militerest provisions of the Notes. Notice is Hereby Green April 20th. 1986 the Notes arry in Interest rate of the Interest payment in Interest payment on the relevant interest payment date. May 300x 1986 sealant Coupon No. 18 well be USSS.8.8 per USS18.000 Note. Agent Bank CMEMICAL BANK

CAIRSE NATIONALE DES TELECOMMUNICATIONS FLOATING RATE NOTES DUE 2000 NOTICE IS HEREBY GIVEN that the next interest period chosen by Carise Nationale des Tetecommunications is one month, beginning May 14th 1986. The Fiscal Agent (Luxembour) S.A. STANDARD CHARTERED OFFSHORI MONEY MARKET FUND LIMITED

Legal Notices

(In voluntary liquidation)

NOTICE IS MEREBY GIVEN that the Creditors of the above-named Company are required, on or before the 14th day of May 1986, to send their names and addresses. with pertuculars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned. Simon Winslow Chandler of Borough House, Rue Du Pre. St. Peter Port, Guernsey, the Liquidator of the said Company; and, if so required by notice in writing by the said Liquidator, are, by their Solicitors or personally, to came in and proceed their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be axcluded from the benefit of suly distribution made before such debts are proved.

Dated 18th day of April 1986.

This announcement appears as a matter of record only.

76.1

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**RTZ Finance Overseas Limited** 

US\$250,000,000

**Euro-commercial** paper programme

Unconditionally and irrevocably guaranteed by

The Rio Tinto-Zinc Corporation PLC

Barclays Bank PLC Citicorp Investment Bank Limited Morgan Stanley International as Dealers

April, 1986

32

BRITISH FUNDS

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9 403 206 Country tale Props 400 5 74 51 70 101 1 156 124 Crount 10 1200 1 1400 5 74 51 70 101 6 7 104 1 56 124 Crount 10 1200 1 1400 5 7 142 6 7 12 12 7 7 12 3 6 95 1 75 100 445 (Roth M) 1 84 42 11 75 26 25 14 7 4 2 3 19 40 and Group 59 221 10 23 4 3 15 17 3 200 1155 95 85 50 500	198 150 373 S Stores 5p 197 +2 30 + 21 +	405   253   Carco Eng   385   5   125   26   45   10   6   72   72   26   Carcos Ros   72   72   25   29   49   100   105   57   35   30   47   100   640   507   Chemberin & Hol   105   47   35   30   47   100   130   113   100   Car.Rel Pfse   124   5   5   5   5   5   5   5   5   5	10 : 50 Area. Se Erg 12 - 30 8 - 14 - 370 200 : 00 Gr. Crock-Roll 350 8 - 14 - 160 6 25 6 625 333 Area Bris Forts 5 33 + 1 180 6 25 6 33 - 18 5 Area Errory 50 32 5 5 5 61110 23 34 182
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5   58   21   Rause Inos 10p	105 83 I-Checkobart Europe 84	132   95   Meggat 5p   124   0.75 6.2   0.9 15.7   100   62   Metalizar 50   95   2.45 2.7   26.7   26.7   27.7   27.7   25.7   26.7   27.7	190   196   drume & Tarve   172   42   16.5 26   53 104   61   52   Barrators (Manu)   53     30   0   82   0   69     15   19   47   15.6   40   29   Barrators 150   40   42   21 05 35   37   8.3   83   57   darret Antoin 150   75     27   17   51   16.5
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290   246   Marrington   100   253   +3   7.25   26   40   13.5   70   58   Marrington   170   70   61 0   20   172   Warris Bake   192   4.5 \$\phi\$   3.4 \$\phi\$   84   67   Western Bros   7.8   +4   1.0   37   18   15.6   157   41   Wingon Group   10p   51   +1     472   314   Wingon Group   10p   472   314   Wingon Group   472   472   314   Wingon Group   472   472   474	460 : 345 - 20 mark Histo Sp	89 49 Sawite Corton Hgp. 88 -1 182.33 LB 3.7 15.2 51 29 Service End's Hgp. 88 -1 182.33 LB 3.7 15.2 51 29 Service End's Hgp. 89 -1 1.7 6 4.9 6 302 180 Simon End's — 283 +8 8.5 6 4.4 6 14.7 6	353 280 Christel Id. 10c   353 4-5   5.5 2.6   2.2   238   220   130   Christel Identity   16660   4.50 6   3.7 6   380   200   200   200   200   380   3.3 1.5   5.3   17.6   200   88   46Colory in Identity   380   3.3 1.5   5.3   17.6   200   420   427   200   200
190 : 120 Wemper (Geo 190 : +1 · 375 · \$ 28 · \$  CHEMICALS, PLASTICS  5 548   530 july m F120	66 46 Electronic Machine 65: 07-23 1.5 533.8 62 42 Electronic Remais 65: 43 3.23 10 7.3 19.6 322 235 Emers Lightung 316 51 26 24 22 628 20 Emers (Al 1980 1 628) 4018 4 32 1 375 300 Emerster (at 1980 1 628) 4018 4 13 14.8 14.8	285 262 Secr. 6 July 200 466 25 30 [48] 172 332 Secr. 6 July 200 466 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	28 18 Continued Tech 10s 13 +11s 117 7b   1Constitution 10s 18 +11s 15   1 0 0.75 4 12 4 1.75   25   Cont. Station's 10p 65   1.79 55 568 154   Continue 150 568   Co
445 293	70½ 47 FM Eire 100	572 193 11 Group 21	425   225   Courtes Fore 20p   428   16.9 3.1   2.9 13.3   61   40   Conso de Gri 10p   75   162.0   13   36   22.5   756   22.6   Crean (1)   370   370   370   371   4   172   120   Crean (1)   160   160   125   161.5   51   0.6   13.7   275   206   0.000   50   22.5   161.5   51   0.6   14.3
[155]: F77 Bayer AL DM 50 £92]: +2 lm200-j & 33   6   129   100 Blasson Ind 122   7 2 10 83 1172   168 112   Breen Deem. 100 75   42 q 37 & 6   87 50 Bard Benziol 10p 79   +1	55 25 - Formard Tech	45 31 Trizack (W. A.) 18p. 35	40 32 (OSC 10a 35 1 45 20 - 303 208 (Osc 10a 245 5 1 125 15 61 130 225 128 Osc 10a 245 5 100 4 77 57 120 225 126 Osc 10a 245 120 145 120 125 15 61 130 125 125 126 126 126 126 126 126 126 126 126 126
149 140 Coars 865	120   90   Grossenor Grp.   118   -2   ±5.75   17   ± 10.2   68   25   648   Elec Coross 10p   48   -2   0.5   6   1.5   6   104   87   44g   42m   61   200   122   103   5,9   34   1.6   131   10   64m   64m   64m   122   103   5,9   34   1.6   165   133   181   10p   133   -2	348 1.20 Brasher 500 335 1.0 - 0.4 - 202 157 Wasper Indexer 1 199 1729 19 5 4 142 5 5 141 467 15 4 142 15 4 142 15 14 142 15 15 14 142 15 14 14 14 14 14 14 14 14 14 14 14 14 14	707 83 Johann Park 100 93 527 15 73 12.0 108 1 97 Dom Heigs, 10p 107 495-20 65 10.8 11F 94 Domer Corp. 1081 1592 21 6 7 7 2374 C25-Domer Corp. 1051 2284 68 - 21 7
220 128 +Dukee	225   170 \$\times\text{NSYEM 100}  \text{185}  \text{225} \phi  \text{17}  \text{0}  \text{17}  \text{0}  \text{17}  \text{0}  \text{17}  \text{0}  \text{17}  \text{0}  \text{185}  \text{170}  \text{170}  \text{143}  \text{495}  \text{226}   \text{226}  \text{226}   \text{226}   \text{226}   \text{226}    \text{226}    \text{226}    \text{226}     \text{226}     \text{226}  \qua	117 S2 Westand 75 483.0 56 - 56 - 107 86 Wheston 78 - 78 - 75 521 82 8.0 125 16 Wheney 10s 23 - 7 - 8 22 8.0 12 12 12 12 12 12 12 12 12 12 12 12 12	131 58 Sharon 16 133 1 1482 79 33 30 1215  33 24 Sharot 16 1794 1771  92 1 75 Optor (1 & 1) 96 14 40 11 1 3 179 1  55 1 71 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
1221- 1261-Hercules Inch	107 67 - 31.PA Industries 109 190	620 '500 Name 50p	312 275 Sparrer Prot. 50p 227-45   10.01 ± 4.9 ± 4.9 ± 15   11. HE control Holps, 10p   12   252.49   x   15   10   25.
118 102 Lead total total total 112 1 130-18 18 20 9 132 4 18 18 102 Lead total total 112 1 130-18 18 20 9 135 130 Morce in Hogs 355 1 8 37 47 15 156 1 46 25 Morte (R H   100 45   1 1 1 1 1 1 1 1 7 20 0	375   270   Talk Electric	List	122   1005   Elect   新学書   2705   372   24   29   11.0   1275
E33 E184-Novo note 'B xz, 20 E20	66 47   Merce 100   50   39 34   106 3.1   425 363   Merce 100   370   47   3.0 43   1.1   286   18   10   Pagrony Donastr   100   17   41   41   41   41   41   41   41	604 524 Internal Group St	225 184 Entering 1 225 184 185 29 32 136 183 143 Entering 185 185 185 185 185 185 185 185 185 185
205   237   304 Agric Indy, 51   257   185   100 el	245   160   Micro Facus 100   220	105   47 Barties 100   145	147   130   Do.57% Red. Pref.   127   5%   55   - 124   307   Do.57% Con Pref   113   54   - 84   - 84   - 125   111   Ende Gap   117   +3   122   2.7   1.9   13   122   2.7   1.9   13   220   127   Espacet in   208   59 % 40   415   313   Ende   409   +2   675   26   24   224
212   190   Nicksenticime Room   192     779   6   57   6   126   66   Nordstore Chems   121     3.0   3.6   3.5   8.6	375 265 444464 33 10a 375 2.79 5.8 1.0 19 4 457 316 14464 Corp.1 316 9	182 162 Carr's Miliag 165 6.0 24 5.1 (9.1)	32 22 Sation into 32 0.5 6 22 6 330 32 16.7 14 0.5 67 1.9 15.6 167 167 167 167 167 167 167 167 167 16
61   42   Alletone 10s	55   56 http://discretizes	111 121 SCASINE WIGHTS, 120 165 173 173 173 173 173 173 173 173 173 173	48   35 Tritzenton
6 bc0 440 fedgrey	\$454, \$365, \$365 at \$4 \text{ N.N.20 } \$257 at \$10, \$125 at \$4 \text{ N.N.20 } \$255 at \$25 \text{ N.N.20 } \$252 at \$10, \$10, \$10, \$10, \$10, \$10, \$10, \$10,	275   230   Dec Coro 50	194   157   Futhergii Harrey   194   141   875   9   64   67   67   50   Freeck Then 3 100   53   2.89   12   76   136
135 By Black Letters to 10p. 100-15; 145 3.5 to 1 13.6 130 190 68 Bachards, 10p. 104 1-2 145 3.5 to 1 13.6 190 390 800 Shop Int 50 535 1+10 15 to 7 0.4 133.2 11 to 80 to 16 15 0 5 0 1 1 1 0 0 1 2.8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	175   145   3-Person & Gales Ind.   183   1.1   182   48   1.6   185   1	263 228 Class Blover 50 246 39 2.9 2.3 118.0 60 40 4 4 4 5 12 18 7.7 110.1 253 17 Greeps 20 250 250 4.3 3.1 2.4 18.8 884 770 Hazier and 20 250 798 48 113.2 2.4 2.4 18.8 250 170 Hazier and 20 250 170 Hazier and 20 250 170 Hazier and 20 250 170 18.8 12.8 12.8 12.8 12.8 12.8 12.8 12.8	794 59 Gomme Hits
156   115   Milliones Co (Car 10g   140   1   125   27   25   205   354   242   Burtos Group 500   314   +10   m4 4 5 1   20   223   173   83   Cantors M 20g   162     20   35   17   17   78   355   300   Cherch   325   85   28   37   129   560   428   Coars Myello 20g   500   48   12 0   125   34   13   13   13   13   13   13   13	195   160   Price Hidge 20p	85 : 75   Name Farm 10s	267   235   Bairna 10s   368   -2   ftl. 42 5.5   0.8   31.8   186   141   Hámon Trest   180   1+13   M4.0 2.6   3.7   16.7   182   143   0.2 Sock ta. 2049   6172   4-5   0.8   18.7   4.7   14   96   0.5 7504 Career   1871   4-3   5.7554   7.5   167   133   Hárgrasses 20s   166   4-1   74.9 7.6   38   14.2   173   Marris 10s   20s   21.8   77.75   15.5   5.2   18.5   49   36   Hárgras 5.5   42   -1   1.7   4.3   4.8
255   149   Comb. Eng. 121n   223   45   6   124   6   152   117   Courts *4   130   4   7   24   51, 1100   365   305   0365   305   0365   305   0365   03	155   117   Preside 10p   123   +3   22   31   25   17.9   151   48   Preside 5p   58   421   45   17.9   17.0	23 Lee Com J (up. 100 1 100 1 10.3 2 20 (d.8) 625 530 (n.0 (Wh.) 200 1 575m 5 1 10.3 0 29 13 6 820 490 [Manhews (B) 11.0 4.2 1.9 (17.7 1) 17 7 2 6 6 7 1 10.0 4.2 1.9 (17.7 1) 17 7 2 6 7 1 10.0 4.2 1.9 (17.7 1) 17 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	For Harvey & T. see Finance Land 255 203 SHidelini Europa (8p. 228 M3.34) 2.5 2.1 (3p.4 147 94 Hidelini Europa (8p. 228 M3.34) 2.5 2.1 (3p.4 147 94 Hidelini Europa (8p. 228 M3.34) 2.5 2.1 (3p.4 147 95 125 SHantal Waters 56   830 70 4.7 (8.2 ) 120
13   13   Eline & Gold 150   77   164   375   429   6   45   6   194   194   195   Eliam 100   186   42   375   6   129   6   421   6   129   6	122   85 + Plantes 5p   120   14   5106   +2   7%   16.8   122   85 + Plantes 5p   120   14   54   18   16.0   13   14   18   16.0   14   54   18   16.0   16   16   16   16   16   16   16   1	204 150 Morrison W 100 284 1+6 135 73 0.9 (210 825 1215 Morrison W 100 235 1+5 6.0 6 (3.4 6 82 5 125 Morrison Group 100 235 1+5 120 (3.8 155 22 20 Morrison Group 100 266 1+6 7.25 23 38 133.4 (2.9 125 125 125 125 125 125 125 125 125 125	20   80   91   91   92   93   93   93   93   93   93   93
205 183 Ferminate 10p 194 602 32 44 4 99 458 312 Freeman 422 427 70 6 23 4 4 9 122 122 123 47 6 123 4 6 122 123 124 124 125 125 125 125 125 125 125 125 125 125	160   115   360   364   165   166	500 400 IPremer Gra R0.50. 440 H0864 63 244 157 RNM 229 +3 529 25 34 14.9 525 370 Rosentree N.50c 512 44 12.2 24 34 13.8 1271 223 Salentrey S1.669 225 31.00 4.6 13.8 116 544 Sanstany LJ. 592 44 14.5 3.4 Lb 123.9	120
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33   25	215   120   Data Person	105 177   106 Warrants   105   11   11   12   12   12   12   12   1	95 472 Jührson Cleaner: 555 28.9 1.9 4.1 14.8 20.5 20.9 1.9 4.7 14.8 20.5 20.5 20.5 20.5 20.5 20.5 20.5 20.5
68   74   Jones (Erres)   10p   84   44   39   1   65   13.9   87   68   74   Jones (Erres)   10p   85   -2   127   3.0   29   159   132   111   1.0   1449   117   -2   44   13   51   201   35   24   Lades Profe 20p   33   +2   0.79   3.2   -25   13.9   Lee Cooper   175   +3   36.7 (4.0   3.0   91   3.0   4.0   1.0	528 1377 Thomas Mr	HOTELS AND CATERERS  68   50	27 23 (kalemeno 109 22 23 22.0 0.9 \$ 12.9 22.0 0.9 \$ 12.9 22.0 1.0 \$ 1.0
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161 112 Ratners 100	9 55-8478 1671 59 771-14 771-14 781 791-14 7	81 157 Status 100 71 +3 1.2 31 2.4 16.0 18 1.46 (Institute Force 172 i+3 5.45 1.8 4.5 15.5 1	98 120 Mactariae (p. 150 70 40 Mactariae (p. 150 160 170 40 Mactariae (p. 170 170 40 Mactariae (p. 170 170 170 Mactariae (p. 170 170 170 Mactariae (p. 170 170 170 170 170 170 170 170 170 170 170 170 170 170 170
195   160   Samuel (H.)   195 +2   4   71   10   30   50 6   89   72   90   4   86   +1   4   77   10   6.8   [22.3   1498   104   Sears   127   +3   13   12.5   33   16.3   121   252   VShare Drue   100   320   18   49   0.8   36.6   300   240   Smath (W. H.   14.5   5.3   31.2   4.4   1.5   0.3   2.3   20.5   40   6.5   Islander   14.0   15.0   31.2   4.4   6.5   15.1	26 4 18 6 Basing (C H.) 187 1-14 1	12 1 m in in in 10 - 225 +3 1 th 5 12   41 (257) 1	DO Market and 10p 76 16L5 5.4 2.8 9.3 10 10 10 10 10 10 10 10 10 10 10 10 10
96 76   Stead & Sim A	1371   84   Borman Quadrast   1281-5   3.75 2.6 (4.1 12.3 1 172   101   Sarranagiam Mina   170   195.75 2.2 1.8 11.2 9   101   3.5   Buchmond Hodge   57 +2   -   -   -   -   -   -   -   -   -	10   87   Altromas Bros. 10p   107   4.7   1.5   7.2   12.7   1.2   1.2   1.2   1.3   1.	15 (110 ) Macal Citities 16(1) 120 130 1327 4 33.1 6 14 18 5 Macal Citities 29 13 172 30 34 114 170 170 Metal Citities 16(1) 170 170 170 170 170 170 170 170 170 170
	87   61   Brassas 100	311) 221-48hed Place 59 3113-45 8 27-29-3	9 4 674645 Societic 29 1 163 -2 6.7 L6 5.8 [21]) 8 70 Jonneson 109 7200-5 / 1246 9 3.8 9

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33

### MARKET REPORT

Account Dealing Dates

First Declara- Last Account Dealings tions Dealings Day
Apr 14 Apr 24 Apr 25 May 6
Apr 28 May 8 May 9 May 19
May 12 May 29 May 30 June 9
"New-time" dealings may take
place from 9.30 am two business days
earlier.

Leading stocks pulled away sharply from their recent low levels in London yesterday. The low levels in London yesterday where. Standard Chartered regained 25.9 of last week's fall moved up 10 to 828p on hopes of 45.2 to close at 1.391.2 as in of a counter to Lloyds unwelvestment confidence was rein come offer. forced initially by exchange rate Composite

Wall Street's rise overnight ensured a firm opening tone and within minutes the Electrical sector was responding in lively fashion to revived domestic institutional demand. GEC were strongly supported in the wake of a successful presentation to many City institutions on Monday evening by brokers de Zoete Bevan. Funds were switched from other leading issues but the resulting lines of were placed with little

Interest soon broadened to other areas of the market and a bost of blue chips began to move higher. International stocks were often excluded despite assumptions that the heavily-criticised ADR tax would be either altered or shelved. Inquiries from private clients improved but the most notable in-but the most notable in-Lyons, up to 317p in early tradcrease was in speculative activity. Many old favourites came to the fore and several newcomers were added to the

Favourable trading statements also contributed to the more optimistic mood. Blue Circle Industries went higher not so much on the annual profits, which were better than ex-pected, but on relief over the absence of any call for fresh funds; recently there had been much talk of a rights issue accompanying the preliminary

Gilt-edged securities followed Monday's late upturn in US bonds ahead of this week's Treasury auctions. Business in Gilts was light but in the absence of selling prices advanced. Conventional longs and index linked issues recorded index-linked issues recorded gains stretching to i with senti-ment underpinned by the cuts in European discount and bank rates. Sterling's slight reaction from its recent high level against the dollar failed to hamper the market's progress.

### Clearers higher

Clearing banks returned to favour. Lloyds, currently bid-ding 750p per share for Stan-dard Chartered, rose 13 to 608p sold its Californian subsidiary in Golden State Sanwa Bank of Japan for £170m cash. NatWest, meanwhile, encouraged by the confident tenor of the chair-man's AGM address, closed 20

**EQUITY GROUPS** 

& SUB-SECTIONS

Mechanical Engineering (63) ... Metals and Metal Forming (7).. Motors (17) Other Industrial Materials (22) CONSUMER GROUP (184)

Brewers and Distillers (22) ... Food Manufacturing (22) .... Food Retailing (15) ..... Health and Household Products (10).

Packaging and Pager (14).

OTHER GROUPS (85) ....

Chemicals (19)
Office Equipment (4)
Shipping and Transport (12)
Telephone Networks (2)
Miscellaneous (48)

500 SHARE INDEX(500)... FINANCIAL GROUP (116). Banks (7) Insurance (Life) (9)...

Insurance (Composite) (7) ... Insurance (Brokers) (8) ......

FT-SE 100 SHARE INDEX 4.

FIXED INTEREST

124.76 +0.14 124.59

147.39 +0.41 146.78

155.38 +0.58 154.48

142.31 +0.36 141.81

117.96 +0.44 116.55

+8.98 172.70

+0.22 112.72

+0.48 317.40

86.56 +0.03 86.56 0.03 2.30

174.38

117.97

9 Debentures & Loses .. 123.14 +0.12 122.99

Property (50)...... Other Financial (24)

2 5-15 years.

All stocks

7 Over 5 years ...

6 5 years...

8 All stocks.

3 Over 15 years ..

Stores (43) ... Textiles (17)

# Confidence returns and equities pull away from recent low levels

Composites led the way in

forced initially by exchange rate influences and later by an encouraging CBI survey on UK industrial trends in April.

Wall Street's rise overnight ensured a firm opening tone and within minutes the Electrical added S. 23th and Survey on UK industrial trends in April.

Composites led the way in Insurances. GRE stood out with a rise of 34 at 949p, while densurate formed 22 at 897p and Royals put on 12 at 932p. Perennial takeover commercial Union added S. 23th and Survey in Insurances. added 8 at 334p and Sun Alliance appreciated 9 at 753p. Both newcomers to the market yesterday staged satisfactory debuts. E. Green, dealt in the debuts. E. Green, dealt in the Unlisted Securities market and placed at 120p, touched 129p before closing at 126p, while Ipeco moved up to 130p and closed at 126p, having been offered for sale at 120p.

Guinness. a dull market since the success of its bid for Distillances at the sale and the sale at 120p.

Distillers, attracted fresh insti-tutional and professional demand and rallied 17 to 312p; Distillers' shares not assented to the offer advanced 27 to 675p in sympathy. Other leading Breweries made progress under the lead of Whitbread "A." ing on consideration of the pro-posed \$400m one-year loan posed \$400m one-year loan facility in Euromarkets, dipped to 303p before recovering to 310p, for a net decline of 5, as the High Court dismissed the application for judicial review from unwelcome suitors Elders IXL. Regionals also displayed to the property features. Comsome noteworthy features. Comment on the company's asset value lifted Young and Co's Brewery 30 for a two-day gain

of 70 to 310p. Boddingtons revived with a rise of 8 to 126p.

while Vaux still surrounded by takeover speculation, put on 15

more to 460p. Annual results at the top end Annual results at the top end of expectations from Blue Circle and good preliminary figures from Tarmac enlivened interest in the Building sector. Blue Circle were briskly traded up to 723p before settling 43 higher on the day at 716p, while Tarmac closed 8 dearer at 486p, after having touched 492p at one after having touched 492p at one stage. Costain, scheduled to reveal annual figures today. were also supported and closed 16 higher at 532p. Taylor Wood-row stood out with a rise of 16 to 532p. Revived buying on assets injection hopes left Helical Bar 10 higher at 180p,

after 185p; the preliminary statement is due tomorrow.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Earnings Yeek % (Max.)

Tue April 29 1986

### Etam dull late

ICI, assisted by hopes of a relaxation of the ADR propo-sals, improved 12 to 932p. Elsewhere in a firm Chemical sector.

lodex No.

FINANCIAL TIMES STOCK INDICES

	Apr. 29	Apr. 28	April 25	Apr. 24	Apr. 25	Apr. 22	year ago
Government Secs	93.52	92,83	93.24	93,32	93,11;	94,25	61.26
Fixed Interest	96.99	96,75	96.77	96,90	96,94	97,51	85.60
Ordinary ▼	1391.3	1365,3	1357,9	1348.0	1362.0	1389.8	971.4
Gold Mines	247.8	253,7	257,2	264,8	273.3	267.5	501.3
Ord. Div. Yield	3.89	3,95	3.96	3,98	5,95	3,88	4,69
Earnings, Yld. %full)	9.62	9.79	9,63	9,90	9,79	9,60	11.78
P.E Ratio (net) (")	12,74	12,52	12_47	12,39	12,52	12,77	10,34
Total bargains (Est.)	29,076	33,022	31,051	30,135	29,879,	29,675	24,085
Equity turnover £m.		564,99	808,63	682,41	1051,70	722,61	376,10
Equity bargains		27,587,	32,087	30,683	26,789.	27,654	19,622
Shares traded (m)	- '	253,4	540,6	346,0	397.9	276.7	179.8

Uppening 1369 6. 10 am 1377.4. 11 um 1383.6 Noon 1384.3. 1 pm 1385.7. 2 pm 1385.0. 3 pm 1386.6. 4 pm 1380.7. Day's High 1391.2. Day's Low 1388.6 Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1.7/35. Gold Mines 12/9/56. Activity 1974.

14/1 12.20.										
	HIGHS A	S.E. ACTIVITY								
	19	86	Since Co	mpilat'n	INDICES	Apr. 28	Apr. 25			
	High	Low	High	Low	Daily Gilt Edged					
Govt. Secs.	94.51 (18/4)		127.4	49,18	Bargains, Equities Bargains					
Fixed Int	122,41	123:1)			Value BdayAverage	1142.0	1,634.4			
Ordinary	1425.9	1094.3	1425_9 (8/4:88)	26/6/40>	Gilt Edged Bargains, Equities	149.6	158.2			
Gold Mines	357.0 (27/1)		754.7 (15/2/83)	43,5 41,10,71)	Barcaine		189.8 1,647.9			

light from the Monopolies Com-

246p, while speculative demand pushed Racal up 10 to 216p.

British Telecom, recently depressed by Mercury Communi-

at 134p in the wake of a successful placing of over 9m shares in

the company with various insti-tutions at 130p per share. Cable and Wireless improved 8 at 693p and Oxford Instruments appreciated 9 at 552p. Farnell gained 8 to 210p in anticipation of tudav's appreal foures while

Secondary Stores again provided a long list of features, most of which were atributable to revived speculative demand. and Alexon, 138p, both displayed double-figure gains for this reason, while occasional demand was also evident for Ratners, 3 up at 158p, after 161p, and USM-quoted French Connection, 10 dearer at 215p, the latter reflecting recent Press comment. In contrast. John Menzies dipped contrast, John Menzies dipped 12 to 326p following a cautious Press on the preliminary figures, but Ward White, recommended by brokers de Zoete and Bevan, hardened 4 more to 318p. Etam provided a dull feature after-hours falling 8 to 34h follow. hours, falling 8 to 244p following bearish notices emanating

hours, falling 8 to 244p following bearish notices emanating from a broker's launch.

Leading Stores closed a few pence firmer for choice. Burton railied 10 to 314p, while Woolworth, currently the subject of a hostile bid from Dixons, finished 15 up at \$55p. Sears attracted steady demand and rose 3 to 127p.

Leading Electricals figured prominently in the market's upsurge. GEC were outstanding for a gain of 14 to 208p following a presentation of today's annual figures, while improvements of around 8 were seen in CASE, 100p, Cambridge, 302p. International Signal and Control, 313p, and VG Instruments, 445p. UEI jumped 12 to 284p as investors began to show an increased interest ahead of the preliminary results scheduled for early next month.

Leading Engineers staged a noticeable revival with Vickers improving 15 to 473p and 574p as investors began to show an increased interest ahead of the preliminary results scheduled for early next month.

ing a presentation by stock-brokers de Zoete and Bevan. Plessey, reflecting hopes that GEC would soon get the green

Fri April 25

Mon April 28

| No. | Change | Chan

Day's Apr Apr Apr Apr Apr 22 ago 1635.8 1628.8 1622.6 1615.5 1632.7 1665.2 1291.0

Tee Apr 29

7.62 8.50 8.80 8.80 8.91 8.91 8.91

3.24

3.32 2.11 3.16

10.05 9.96 9.86

Over 5 yrs... 5 yrs...

25 years....

#100 Aut 200

7.69 8.57 8.58 8.86 8.86 8.97 8.97 8.97 8.97

3.33 3.35 2.19 3.19

20.06 9.97 9.88

10.54 10.64 10.26 11.45 10.43 11.53 11.08 10.57 10.97

0.0 0.0 0.0 0.0

11.92

11.56

Thur April 24

index No.

exchange terms for Berisford and the holder of 22.55m shares in the company edged up 2 to 322, while Ranks Hevis Mc-Dougall, where Berisford has a major interest, improved a similar amount to 220p.

Argyll advanced 11 to 348p in tne wake of news that the Ruwait Investment Office owns 13.775m shares, or a 6.877 per cent stake in the company. Elsewhere, Tesco added 10 to 375p ahead of figures scheduled for May 28. the wake of news that the

### Hanson Trust good

Leading miscellaneous indus-trials took a distinct turn for the better. Hanson met with per-sistent demand and stood out with a gain of 13 at 180p, while Glaxo, helped by hopes that the Government would relent over the proposed ADR tax, improved 7 to 985p. Metal Box advanced 25 to 720p and Trafalgar House 7 to 302p. Pilkington, still respond-ing to newspaper comment, advanced 12 further to 460p. Beecham fell 8 to 405p on fading bid hopes. Elsewhere, Johnson Matthey, reflecting the reorganisation proposals, put on 17 to 180p. Revived bid speculation left Pearson 15 to the good at 460p, while Dedfearn Glass improved 7 to 210p on the interim statement. British Aero-space, helped again by a broker's recommendation, put on 8 more to 558p, after 563p. Wedgwood closed 5 higher at 373p following rejection of the share exchange mission to proceed with its bid for the company, advanced 8 at offer from London International. Williams Roldings gained 15 to 695p, while ADR hopes enlivened interest in Reuters, up 18 at 460p. Bid speculation left Wade Potteries 7 dearer at 150p and cations competition fears, rallied 4 to 242p following reports that the group plans to cut its prices by around 15 per BBA improved 8 to 274p followcent for big customers. Else- ing the proposed a where, Ferranti ended 6 better Repco Corporation. ing the proposed acquisition of

Fairline Boats jumped 23 to 208p with the help of considerable speculative and call option activity. Elsewhere in the Leisure sector, Selec TV improved 2 afresh for a two-day selection of A at 190 on talk of advance of 4 at 19p on talk of an imminent bid or injection of assets. Barr and Wallace Arnold A cheapened 10 to 117p following nervous offerings ahead of today's preliminary results.

United Newspapers advanced chairman's annual review. Stock Conversion, currently in receipt of an unwelcome offer from P & O, advanced 17 to a new peak of 745p; P & O firmed 15 at 575p. Land Securities closed 6 dearer at 321p and MEPC herdered the ture to 250p. duled for early next month.

Leading Engineers staged a noticeable revival with Vickers improving 15 to 473p and Hawker 10 to 609p. Many secondary issues were sustained by a further round of bid speculation. Glynwed were prominent at 398p, up 14, along with Adwest, which closed 15 higher at 255p. Simon Engineering advanced S to 283p and MS International 7 to 88p. MEPC hardened the turn to 358p.
Elsewhere in Properties, Rose-haugh revived with a jump of 45 to 605p; the shares are-scheduled to go ex-the £59m rights issue on May 12. Renewed speculative speculative support lifted Sheraton Securities 3 to 43½p and lifted

A generally buoyant Foods sector showed Tate and Lyle an exception and finally 5 easier on balance at 633p following Press comment suggesting that the group is poised to bid for S. & W. Berisford when Tate reveals its interim figures today. Expectations of Tate's half-year profits ment stimulated fresh demand; and the shares, a rising market recently, advanced 5½ more to 102p. The announcement stimulated fresh demand; throughout the Textile sector. range from £35m to £39.5m pre- throughout the Textile

Vol. | Last Vol. | Last Stock

YESTERDAY'S	MONDAY'S
ACTIVE STOCKS	<b>ACTIVE STOCKS</b>
Above average activity was noted in the following stocks yesterday.	Based on bargains recorded in Sto Exchange Official List,

ove average activity	sterday.		Exchange Offici	ains rec al List	orded	in Stoc
Stock re Circle	Closing price 716	Day's change +43	_	No. of changes	Mon. close	Dey's
noinU lsi2temm	358 334	+21 + 8	Inchcape Wedgwood		358 368	+15 +25
illers	675 897	+27 +22	Brit. Aerospace Cable & Wira.	17	560 685	+25 + 5
C	208 140	+14 +11	Duport Kanning Motor	16	131 250	+16 +28
sens Moat Hats	74 5	+ 5	Polly Peck Tozar Kamsley	16	177 156	+14 +18
mac	486 172	+ 8 +15	BAT Inds Wellcome	15	388 184	- 10 - 7
. Newspapera	373	+28	Boots	14	289 165	+ 6 + 9

**EUROPEAN OPTIONS EXCHANGE** 

Vol. Last

1,40

### 54 29 30 460 15 300 26 100 21 20 80 20 20 -16 B 15 9 6,50 5,50 12 2.40 1.80 1.50 11.80 7 4.80 35 30 35 10 1 15 20 1.244.7 104 4.30 9.50 17.50 4.80 1 7 5 5 3 10 342 153 72 50 28 July ABN C ABN P AEGN C AEGN P AH C AH P AKZO G AKZO P AMEV C AMEV P 236 141 194 30 46 41 807 483 129 9 25 4.50 1.70 2,30 4.40 5.70 4.60 2,90 4,20 IFI,576 6.90 3.20 3.60 6.20 10.10 6.40 6.70 F1.106,30 10.30 6 FI.76 13 AFI,163.70 8 FI, 61 AMEV P AMRO C AMRO C GIST C GIST P HEIN P HEO C HOOG C HOOG C KLM P NEDL C NEDL C Fi.80: Fi.280' Fi.280' Fi.280' Fi.170' Fi.160' Fi.172,50' Fi.172,50' Fi.190' Fi.190' Fi.190' Fi.180' Fi.180' 5.80 9.10 5.90 5.90 9.30 3.80 14 A 12,40 11 - 8 - 68 30 61 22 22 FL263 F1.163,20 6,50 15 9.80 9.70 1,80 4.80 13 5 154 57 340 24 6.20 6.50 6.50 1 3.20 1.50 Fl. 109.60 FL 49.60 5.30 6.30 27 B FI. 168,60 26 2.30B. 1.80 0.80 9 2.50 4,80 1.50 10,50 B - FI. 81,60 3.60 FI. 61 9.50 A FI. 150,30 9.50 A FI. 150,30 FI. 92,70 25 FI. 432 74 100 61 23

with Courtaulds 7 better at 278p,

after 280p, and Dawson Inter-national, 12 to the good at 244p. Parkland A, due to approunce full-year results shortly, touched 144p before settling 11 higher on balance at 140p—a two-day improvement of 16. Revived speculative support lifted John Crowther 6 to 136p, and Don Brothers Bulst 12 to 128p. tax. Billsdown Holdings, already offering nine-for-eleven share bid from Quadrex of the US prompted a flurry of buying in Mercantile House which closed 17 dearer at 349p, Elsewhere in Financials, Yale Catto spurted 28 to 188p in response to the annual results and increased divident

> A generally firm oils sector provided an outstanding performer in Burmah which jumped 21 to 358p on buying said to have reflected a substantial re-rating of the company of the following the run-down of the group's oil interest and the expansion of its chemicals operations. Leading oils made further progress despite an easier trend progress despite an easier trend in spot oil markets. BP added 5 more at 545p and Britoil rose a like amount to 170p. Royal Dutch reflected overnight US selling and dipped \$\frac{1}{2}\$ to \$\frac{150\chi}{2}\$ but Tricestrol picked up \$\frac{3}{2}\$ more to 58p and Ultramar advanced 10 to 185p. Sharp falls in Norwegian issues amid the current political uncertainty in Norway unsettled Norsk Hydro which lost \$\frac{1}{2}\$ to Norsk Hydro which lost i to

Burmah advance

The prospect of further expansion moves prompted revived support of Tozer Kemsley and Millbourn, another 16 up at 172p; Kenning, currently in receipt of a bid from TKM, touched 266p before closing a net 13 up at 263p. Elsewhere in Overseas Traders, Incheape put on 7 for a two-day-rise of 22 to 365p
Mining markets continued to
lose ground across the board.
South African issues, especially. were bereft of interest and retreated throughout the session as persistent small selling followed the aarly decline in bullion. The Gold Mines index settled 5.9 to 247.8—its lowest level since the end of December and a four-day fail of 25.5.

# Traded Options

Business in Traded Options ecovered from the surprisingly low volume seen on Monday Total contracts struck yesterday amounted to 19,882-15,025 calls and 4,857 puts.

TRADITIONAL OPTIONS Last For Declara- Settle First Last Deal- Dealings ings tion ment
Apr 21 May 2 July 24 Aug 4
May 6 May 16 Aug 7 Aug 18
May 19 June 6 Aug 28 Sept 8 For rate indications see and of Unit Trust Service

Unit Trust Service

Money was given for the call of Stormgard, Bejam, John Brown and the A, Arthur Wood (Longport). Boets, Sycamore, Charterhall, Pilkington, Fentland Industries, Sears, Lasmo, Rock, Unigroup, Helical Bar, Cadbury Schweppes, Amstrad, Sutcliffe Speakman, Parkland Textile, Woodhouse and Rivson Tilbury Louring Fairling Textile. Woodhouse and Rixson, Tilbury, Lourhe, Fairline Boats, Hunterprint, Martin Ford. Boats, Hunterprint, Martin Ford, Five Oaks Investments, Ashley Industrial Trust, Trusthouse Forte and Aitken Hume. Puts were taken out in Polly Peck, Fairline Boats and Helical Bar, while double options were transacted in Tozer Kemsley and Millbourn and Sycamore.

EQUITIES 

RECENT ISSUES

**FIXED INTEREST STOCKS** 

issue price £	Amount paid up	Lotest Renuno, data	198	· · · · · · · · · · · · · · · · · · ·	Stock	Closing price E	!   <b>*</b> -
							:
99_991	£35	11/7	274	- 241	ASDA Prop. 184% 1st Mt. Deb. 2011	1101	1
\$100	F.P.		112	1084	Aberdesn (City of) 10.8% Red. 2611	651	14
88,355	F.P.	25,4	964	200-	American Medical Intl912 Uns Ln.2011	TASI.	! - 1
95,527	F.P.	164	1074	1041	Brit, Land 1042 1st, Mort. Och. 19:24		j•
<b>1100</b>	Œ10	3/7	11259	. <u>10</u> 1	Coine Valley Water 103, Red Oab 84,98	1 +27	!
<b>5100</b>	£10	3:7	1012	10	Do. 612 Red. Pref. 92-94	. 661	٠.,
98,146			90.	987	Estates Prop. inv.10% 1st.Mt.Deb.2911	114	ıT.
R R	F.P.	5512	138	1114	FNFC 6.3% Cay, Cum. Red. Pri.	105-	٠.,
	F.P.		107p	102	Glass Glover \$2 Cum, Cov.Red Pref 2000	TOOL	17
97,965		ļ — ļ	2518	244	Gt.PortiandEsts.9.5 [let. Mort.Deb.'16	427	
44	F.P.	: <del>-</del>	117	1091	Hanson Trust, 10% Cv. Un. Lr. '07.12.	400-	j+°
	F.P.	ا ــــــ ا	400p	305;	Hawley Grp. Cav. Cum. Red. Pri	400p	
94.917		25/4	4154	_197	inter-Am Dev BR 973 Uns Ln 2015	32.40	;
II .	) NII	29/5	i i ppm	3ppn	Intl. Leisure 73 2 Chv. Cum. Red. Prf.	WO DIT	ľ · ·
100p	F.P.			103	FLodgeCare71g%Com.Cv.Red.Pf. 91.96	1100	1 .
199,951	£40	:14/7	42	39 k	Lon. Prov. Shop 10% ist. Mtg. Deb. 2028	***	١:
77	F.P.	- 1	158p	119	Morceau 825 Conv. Uns. Ln. 2000	12.0	
_	F.P.	_ :	1004	100	Nationwide Bidg. Soc. 10:22 0/4 07	100	
· —	F.P.	; —	98.4	995	.: Do. 91s% 27/4·87	77.	
199,623	£40	30/6	414	384	Peal Midds, 97, % Let, Mort, Deb. #Ull.	2014	! •
199,881	240	1/8	435	413	CHERRY MOST 1043 1st. Mort Deb.2020	43.4	14 5
197.958		25/4	1144	984	Samuel Props. 112 1st. Mort.Deb.2016	112	Ι.
	F.P.	16/5	1901-	· 1101	"Security Trust Scotland, 12% Deb. 2013	120	<u> -:</u>
44	F.P.	23/5	IDAn	102	Spons 73 Cny, Cum, Red, Pri	1050	<u>;—2</u>
199,480	225	18/7	37.10	241	S.F. Illiaz Mort. Dec. 2010	20-1	
,	EP	23/5	1290	108	Ward White Cov. Prf	120a	+ 2

RIGHTS OFFERS

isaya price	Amount	Latest Renunc. date	198	6	Stock	price Oldse	+ 4
buce	Pg		High	Low		20	
60 850 30 140 835 370 207 150 730 400 83 63 83		2505 3015 1216 1316 2515 915 2315 215 215 2315	77 520 12pm 173 53pm 458 259 218 77pm 62pm 100 74½ 4pm 17pm	265 9pn 156 18pn 402 229 208 35pn 55pn 90 69	n Bettsons Grisps 10p Crast Nicholson 10p nrES Grattan Greycost (18p) Heywood Williams nrLon. & Manchester Grp nrLon. & Bonar 50p	283 10pm 168 18pm 418 248 312 35pm 62pm 90 17413	+2
265 176 70 425	NII Nii F.P?	2012 1912	55pm 41pm 155 581	35pr	n'Share Drug 10p niTurner & Newall £1	55pm 41pm 145	β.,

Assumptiation date usually last day for dealing free of stamp duty, b Figures based on prospectus estimates, g Assumed dividend and yield. F Forecast dividend cover on earnings updated by least interim statement. R Dividend and Yield based on prospectus or other official estimates for 1997, R Forecast annualised dividend, cover and p/o ratio based on prospectus or other official estimates. I Indicated dividends; cover plates to previous dividend; p/o ratio based on great annualised dividends rate, cover based on previous year's earnings. I Issued by tender. I Offered holders of ordinary shares as a "rights." II introduction. \*\* Issued by way of capitalisation. F Pracing price. S Relativoduced. T Issued in connection with reorganisation marger or takeover. A Allotment price. & United securities market. In Dealt is under Rule 535 (4) (a).

NEW HIGHS AND

**LOWS FOR 1986** NEW HIGHS (167)
BRITISH FUNDS (14). INT. BANK &
O'SEAS GOVT. STLG. ISSUES (1).
COMMONIVEALTH & AFRICAN LOANS
(2). BANKS: (3). BREWENS. (3).
BRILDINGS: (6). CHEMICALS: (2).
STORES (8). ELECTRICALS (17).
ENGINEERING (20). FOODS (6).
HOTELS (1). INDUSTRIALS (22).
INSURANCE (3). LEISURE (3).
MOTORS (5). NEWSPAPERS (2).

MOTORS (5), NEWSPAPERS (PAPER (6), PROPERTY (14), S
(1), SHOES (2), TEXTILES (5) NEW LOWS (41)
AMERICANS (1) Tenneco 10pc Ln.
1981-95. CANADIANS (1) Gulf Cenada.
BURDINGS (1) Intl. Ameo Corp.
STORES (2) Gee (Cacil). Geller
(A. J.). ELECTRICALS (1) Mirel Corp.
ENGINEERING (1) Cummins 3-pc

**LONDON TRADED OPTIONS** 

Canv. 1978-84. INDUSTRIBLES (2) Abartopie Hidgs. CVD Inc., Robertson Research. SOUTH AFRICANS (1) OK Bezears. TRUSTS (2) Cons. Venture Trust. Viking Resources: Oil.5 (8) Bryson Oil & Gas., Churchill Resources. Comend Petroleum, E.R.I.C., Lennard Oil, Meridian Oil, New Court Natural Rea., Pannine Resources. 44(NES (20).

RISES AND FALLS YESTERDAY

20 528 169 17 5 16 60 918 454 1,407

				LU	ADI	- N		ided ()	P ] ] (	DMS	٠.					
			CALLS	i	-	PUTS	1	CALLS					<b>!</b>	PUTS 		
Optio		July	Oct.	·——	July	Oct	-'	Option		May	Aug.	Nov.	May	Aug.	Nov.	
B.P. (*545)	500 650 600	9 32 9	73 43 18	55 57	25 67	15 58 62	20 43 —	P. & O. (*875)	420 460 500 550	158 118 78 311 <sub>8</sub>	173 135 95 53	145 108 75	1 2 10	2 3 7 20	6 15 33	
Cons. Gold (*482)	480 480 500	52 30	63 40.	72 52	157 40	23 52	32 65	Racal (*216)	160 180 200 220	60 40 20 8	70 52 36 22	60 44 32	2 2 5	5 10 16	8 18	
(°280)	260 260 300	33 25 14	39 38 18	51 40	11 20 33	16 25 40	.83 .80	R.T.Z. (*692)	650 700 750	55 27 12	74 47 83	92 54 45	7 37 80	53 60 84	42 65 90	
Ceble &Wire	330 360	46 23 12	51 31 —	62 45 88	21 30	16	11 18 87	Vaal Reefs (*\$64)	60 70 60	814 4 177	131 <sub>2</sub> 8 41 <sub>4</sub>	1212	125 -, 24 - 84 17	127 12 19	152 14 211 <sub>2</sub>	
(*693)	650 700 750	85 63 32	113 80 52	130 110 80	20 40 70	30 55 80	35 62 90	TR113291 (*£112;	108 110 113	31 2 <sub>76</sub>	212 412 314 214	L 54	27 04 04	281 <sub>2</sub> 0 <del>1</del> 75 21 <sub>2</sub>	30 178 214	
Distillers (*683)	550 600 650 700	145 102 62 33	165 120 88 43	] <u>-                                   </u>	8 15 40	13 30 47	ΙĒ	TR112205/07 (*£124)	120 122 124 126	4.8 34 27 14	648 534 448 418	8 7 5	014 013 144 216	170	5 ig 4 ig 434	
G.E.C. (*208)	160 180	54 36	62 44 30	52	2 4	e	7	<u></u>	128	.0 <u>15</u>	δ <sub>16</sub>	6 1 4 1 8	418	516	5份 7份	
]	200 220	80	16	36 —	8	11 22	14	Option		June	Sept.	Dec.	June	Sept.	Dec.	
Grand Met. (*383)	827 855 860 382 390	70 48 53	83 67 47	60 60	10 28	20 20 38	33 48	Beecham (*405)	330 360 390 420	85 65 45 25	95 67 52 37	105 82 65 60	2 8 20 40	4 16 32 47	7 20 36 52	
1.C.).	420 800	15 160	172	=	57	63	1=	Boots (*269)	260 260 280	39 25 14	44 35 24	54 42	7 17	10 19	15 25	
(*934)	850 900 950 1000	110 75 52 28	127 85 70 42	120 90	10 22 45	22 37 57 57	45 65	BTR (*473)	420 460 500	60 35 14	77 62 38	89 68 46	27 5 17 58	10 23 43	28 48	
Land Sec. (*521)	280 300 330	48 51 14	58 40 20	51 28	2 6 16	5 12 25	14	Blue Circle	750 800 850	50 25 182	100 75 65	125 98 80	12 25 75		28 65 103	
Marks & Sp. (*214)	180 200 220	39 25 16	45 38 21	39 86	2 8 18	6 11 21	14 25	(*718) De Boers (*7.20)	700 700	73 36	97 60	122 86 105	10 27 50	20 40	12 30 60	
Shell Trans. (*748)	700 750 800	70 36 16	87 48 25	₩ 35	10 30 56	18 37 62	46	GKN (*846)	760 800 300 330	40 30 55 30	64 45	85 65	50 85	8 1	105	
Trafigar Hee (*301)	300 330 360	34 10 6	41 84 10	50 32 —	35 60	19 36 60	38 38	Glaxo (*987)	350 390 950 1000	13   3	27 15	26 160	20 46 25	14 25 47	15 26 50	
				:			<u> </u>	`	1050 1100	70 50 30	100 70 45	125 95 70		100	80 110	
Brit_ Aero (*558)	460 500 l	65 i	100 !	Nov. 255 119	May 2	Aug. 6 12	Nov. 15	Hanson (*179)	150 160 165 180	30 20 11	36 28 20	34	11 <sub>2</sub>	130 6	8	
	550 600	25	60 50	78 63	45	_60   08_	38 65	Jeguar	390	4	10	25 15	24	13 26	16 27	
BAT Inds (*395)	390 420 46G	18 7 2	45 45 98 10	77 65 45 23	3 12 33 72	20 40 75	18 30 45 78	Jaguar (*466)	420 460 500	62 38 20	78 58 40	98 73	8 23 45	15 22 50	18 35	
Barclays (*549)	460 500 550 600	97 57 18 3	75	90 57 35	5 1? 52	5 12 30 67	10 18 35 68	(*504)	460 500 550	95 60 35 18	75 52 30	90 65 45	27 22 50	7 17 27 57	10 22 32 60	
Brt Telecom (*242)		28 12 4	36 22 14	44 30 22 14	3 712	13 26	8 15 28	Tesco (*875)	300 360 390	83 56 35 12	93 63 40 25	77 87 35	11 <sub>2</sub> 3 12 25	6 9 15 27	15 23 38	
Imperial Gr. (*350)		60   30	71 50 80	90 ( 67 38	11 <sub>2</sub> 4	212 812	46 5 12 23	Option		97	104	luly Ap			July	
Leamo (*118)	120   130   140	8 5	19   15   10		12   20   30	15 25 30	28 30 38	index   16 (*1656)   16   16   16   17	26  35 50  19	35	90 1 77 65 56 46	95 77 70 2	2 17 8 26 6 36 5 56	38 44 57	75	
Lonrho (*247)	218 236 255 273	32 19 11 31 <sub>2</sub>	45 34 25 14	52   40	2 6 17 30	15 27 39	12 20 30 42	April 89	50 1	9 Postra	25	40 18	8 17	92 127	110	

ing Index 1635.2; 10 am 1642.4; 11 am 1647.1; Noon 1648.0; 1 pm 1650.4; 2 pm 1649.8; 3 pm 1651.5; 3.30 pm 1655.8; 4 pm 1655.9 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

No. Change High 1656.3 +27.5 1656.3

xd adj. today

Man Apr 28

nd adj. 1986 to date

3.66

4.58

5.19

6.07

4,40

1.21

4.04

Index-Linked
Indian rate 5%
Indian rate 5%
Indian rate 10%

14 Inflat'n rate 10%

16 Leases

C=Call

TOTAL VOLUME IN CONTRACTS: 26,801. A=Ask

B=Bid

# WORLD STOCK MARKETS

`				29492	وسيعون والمساحد	ن می این در این می این می این می می در این می این این می این این این این این این این این این ای
	AUSTRIA	GERMANY	NORWAY	AUSTRALIA (continue)	I IABAM /	
•	Apr. 29 Price + or Sch. —	Apr. 28 Price + or	Apr. 29 Price + or	Price of or	JAPAN (continued) Price: + or	CANADA
	Gredit'stalt pp 2,460 +20	AFC TAG	Bergens Bank - 148,5 -10	Gen. Prop. Trust 2.86 +0.5	April 28 Yen -	CANADA
:	Interuntal 16,200 - 200	Allianz Vers 2,750 +95	Christiana 8k 156,5. —9,6	Hardie James X38 -0.01	Mitsui Sank 1,030 +10	Solve Stock High Low Class Ching   Sales Stock High Low Class Ching   Sales Stock High Low Class Cl
•	71A	Bayer 811.5 +7	Elkem 105 —8	HeraldWy Times 6.5 (1 + 0.1	Mitsui Estate 1,620 - 10 Mitsui Toatsu . 245 - 2	12750 Centri Tr \$190, 193, 195, -1, 20742 Inter Pipe \$435, 431, -1, 400 Retinan A 1 \$321, 321, 321,
٠.	Perimonser	Dayor-Verein 625   +16	Kosmos	Kis Ora Gold. 0.15 -0.91	Mitsukoshi 890 +1 NGK Insulators 1,070 +10	TORONTO   \$7332 Cominco \$125, 127, 127, -7, 3374   5550 \$107, 107, 107, 1000 Rio Algori \$267, 247, 247, -7, 2500   1000 Rio Algori \$267, 247, 247, -7, 2500   1000 Compatile \$53, 57, 57, -7, 2540   1000 Rio Algori \$267, 267, -7, 1000 Rio Algori \$267, 267, -7, 1000 Rio Algori \$267, 267, 247, -7, 1000
•		BHF-Bank 564 +6 BMW 567 +13 Brown Boveri 326,5 +7.7	Norsk Data 220.5 Norsk Hydro 127 -2 Storebrand 233 -16	Kidston Gold 5.6 Lend Lease \$.1 +0.06	Nikko Sec 870 +10 Nippon Denso 1,470 -10 Nippon Elect 1,580 -20	Armel 20 2900 Comment 185 185 185 12175 January 281, 281, 281, -16 4000 Roman 29 9 9
	BELGIUM/LUXEMBOURG	Cont. Gummi 344 + 12,5	<u> </u>	Milm	Nippon Elect 1,580 20 Nippon Express, 758 9 Nippon Gakki 1,570	Appril 65 470 Con Barn A 5271, 27 271, +1, 1800 Kiens Gid \$251, 231, 231, 231, 25 Roteman \$401, 405, 405, 405, 405, 405, 405, 405, 405
•	Pre.	Daimier-Benz 1,499 +22   Degutsa 500 +25	SPAIN	Nicholas Kiwi 3.6	Nippon Kogaku 1,180 +20	\$5700 Aberland \$51, 51, 51, 51, 7100 Con Glass \$25 240, 25   18600 Lacana \$74 74 74 74 +1 17447 Royen 300 296 298 -
	Bang. Gen. Lux . 15,500	D'ache Rabonet Sto		1 Name   Disc   1 No.   1 No.   1 No.	Nippon Sciko 1,170 . +20	2800 Acklands \$21 201, 201, 190 Conwest B 567, 67, 67, 67, 114770 Leadler B 1 \$191, 187, 187, 187, 187, 187, 187, 187, 18
	Date 12 000	Diesdoer Book 488 5-	Pt= %	Oakbridge. 2.85 Pacific Dunion 3.85 Pancontinental 2.85	Nippon Steel , 165 -1	1 16750 Alberta En \$125 125 125 125 125 150 C Falcon C \$175 175 175 175 175 175 175 175 175 175
1	\ Delhaiza 11.150 → 50 l	Henkel 440.5 +156	800 Central 725 - 11	Lauduces Cour Tares	Nippon Suisan. 390 -7 Nippon Yusen. 575 Nissan Motor. 577 +2	31021 Alcan SAGA 431, 431, -1 4801 Costant Ltd 516 + 1 55g 16 + 1 55010 MCC 5572 51 51 - 1 43086 Seegram 55415 525 525 - 1 550 54 - 1 43086 Seegram 55415 525 525 - 1 5700 Seegram 5165, 155 155 155 155 155 155 155 155 155 1
	EBES 4,800 → 10 Electrobel 15,025	Hoesch Werke 1925 165	Boo Hispano 420 Boo Populer 995 Boo Santander 736	Possidon 2.44  Reckitt & Colman 4.3	Nisshin Flour 840 - 5 Nomura 1.890 - +10	13631 Asymma 291, 8 9 -1 4600 Char Res 130 130 1776 Mich HY f \$199, 1915 1975 Shell Can Scotl. 201, 201, 201
`	Fabrique Nat 2,450 —50 GB Inno BM 7,910 —130 GBL Bruxi 3,230 +10	Horten 208 +11	Beg Vizeaya: 1,170 +20	Reppo	Olympus 1,150 -10 Onada Cement 418 +9 Orient Finance 1,050 -40	71000 Atro H \$57 57 57 50 Develop B 1 58 73 75 -1 33330 Magne A 1 334 337 357 -1 6075 South 5271 267 27 2100 BC Sugar A \$227 22 22 +5 50 Develop 375 375 2536 Markine   \$157 150 150 500 Agro   \$311 307 301 -
•	Generale Bank 6,600 +70 Gevaert 6,300 -50	Nusset	Hidrola	Thos. Natwide 4.04 -0.11	Orient Leasing 3,530 -100	2900 BGR A \$779 717 712 -13 1200 Dickman A ! \$658 604 618 +18 300 Men't Spin: \$1614 1618 1614 +14 100 Stevenby A ! \$461, 491, 491, 491, 491, 491, 491, 491, 49
•	Intercom 3,765	KHD 885 +10	Petrolegs 420 -17 Telefonica 208 +6	Varnous 2.15	Ricon 963? Sankyo 1,390 +10 Sanwa Bank 1,260 +10 Sanyo Slect 427 +2	64986 Bk BCol 345 333 340 +10 1 19622 Dome Cola 465 455 -20 24600 Meriand E 200 200 200 -2 126250 Teck Bi 5254 234 235 225 - 1 15250 Meriand E 200 200 200 -2 126250 Teck Bi 5254 235 225 - 1 15250 Meriand E 200 200 200 -1 1000 Teck Bi 5254 235 225 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Pan Hidgs 10,800	Linde 755 + 5 Lifthama 255 - 4 Man 210 10 Mannsmann 243,5 + 4,5 Mercedes Hid. 1313 + 4,5 Muench Rueck. 3,500 - 200 Nixdorf 824 + 11	SWEDEN	Westpac Bank 6,12 ~0,64   Woodside Petrol 0,99 . ~0,61	84Pport 892 +2	\$1582 Bi. Monti \$341, 342, 343, 343, 415, 1312 141 107233 Dome Name \$382, 912 915 15290 Milert Res 270 250 250 250 1000 Tele Met \$41 41 41 4 99805 Bi. NScot \$145, 1412 141 107233 Dome Peta 195 194 195 7 8398 Milert Corp \$67, 67, 67, 67, 67, 67, 67, 67, 67, 67,
٠.	Royale Beige 25,000 Soc. Gen. Beige., 3,070 +80	Mannesmann 243,5 +4,5	April 29 Price + or	Wootworths 3.48 +0.03 Wormald Inti 4.2 +0.28	Sekisui Profes 1,140 +10	1 18797 Bonunza R 210 190 190 -15 2462 Demiter 5311, 3116 311 37737 Moison A 1 5294 28 261, +16 18000 Thom N A \$3079 3076 308 + 1 62658 Bow Valy \$97, 50, 50, 50, 50, 501, 261, 261, 261, 261, 261, 261, 261, 26
:	Solvay 10,275 60 Solvay 8,680 +50 Stanwick inti 460	Meteligesell 350 -5 Muench Rueck 3500 -200	Kronor —	HONG KONG	Sharp 995 +15 Shimizu Constn 594 +24 Shionogi 997 +7	77000 Brumales S161, 167, 160, +10 11678 Dates A S162, 167, 167, 167, 167, 167, 167, 167, 167
J	OCS 6,923 20	Nixdorf	Alfa-Leval B 372 +5	71	Showa Cenko 265 +50	1 300 Bringing 564 54 56 + 16 1363 Erres 5254 29 294 + 1 1 100 map 117 117 117 117 117 117 117 117 117 11
	Wagon Lits 6,050 30	Preussag	Astra (Free) 503 43	April 29 Price + or	Sumitomo Bank_ LBIC + 10	7:843 BC ForP \$145, 141, 141, +1, 3800 FCA inst \$18 173, 173, -1, 3900 Nt Vg Tree \$284, 284, 284, -1, 4560 Tree Mt. \$113, 111, 111, -55739 BC Res 135 131 132 -3 8:830 Resistag \$212, 21 -5, 4000 Nt CapA   \$776 75, 73, 74 -1, 39126 Treating \$282, 283, 281, 282, 283, 281, 282, 283, 281, 283, 281, 283, 281, 283, 281, 283, 281, 283, 283, 281, 283, 283, 283, 283, 283, 283, 283, 283
. `	DENMARK	Rosenthal	Celluloss	Bank East Asia 20.3   -0.1 Cheung Kong 21.4 : -0.1 Ching Light 17.1 : -0.1	S'toma Corp. 750 +5 S'toma Elect 1,160	\$ 250 BYUNDAR 512/a 12/a 12/a 1 700 FUNDAR A 517 17 17 _ L } 4 PUSP POPUNDE \$10/a 7/4a 10/a 4/a 1
•	April 29 Price + or	IThveen 1968 ez	Ericsecii 6 2792	Everno	S'tomo Metal 141 — I Taisel Corp 440 + 10	38191 CAE   \$220, 220, 220, -1, 13200 Firming 5   \$185, 185, 185, 185, -5, 5327 Noronn \$117, 111, 117, +1, 424     4384 CAE   \$220, 193, 183, -1, 900 FCay Fin \$133, 135, 135, 135, 135, 130, 130, 130, 130, 130, 130, 130, 130
	Andelsbanken 580	Varta 380 +35 Vebs 359 +16,8 V.E.W. 188 +2 Verein-West 515	Mo Och Domsjo : 2506 Pharmacla : 2502 Saab Scania Free : 850 +10	Hang Seng Bank 40 xa Henderson Land 2.07 +0.03 NK China Gas 14.4 +0.2	Talyo Kobe Bk 680 20 Takeda 1.430 ' +50	\$450 Cad Frv \$196, 195, 195, 195, 1909 Gandelf \$9', 9 9 -1, 123948 Nor Tel \$43 42', 42', 42', 42', 42', 42', 42', 42',
	Contande thank	Volkswagen 652.1 +21.1	Sandvik 850 10	HK Ejectric 9.0 -0.05 HK Kowloon Wh. 7.1 -0.1 HK tand 5,25	TDK	1451 Camp Res 135 127 127 -3 5200 Gends A 542 456 456 -56 24557 No West 35 30 32 +2 800 Camp Soup 5304 304 304 -56 410 Gends L 5574 572 573 -1 300 Number 554 55 572 -1 MONTREAL
	D. Sukkerfab 420 Danske Bank 560 2 De Danske Luft, 1,770 + 20	ITALY	SKF	HK Shakghai Bk 7:1xal =0.2 HK Telephone 11.1   =0.2	Tok Ne 1770 1,650 +50 Tokar sk 1,000 +50 Tokio Marine 1,130 +10	[11856 CCem Bu p \$16 154 16 +1 [15800 Gebritar \$8', 9', 9', -1 [7200 Options A 1 250 230 ] Cooling Picture April 20
	East Asiatic 275 2 Forenede Brygg, 1,180 Forenede Damp, 235	Abril 29 Lina —	St. Kopperbergs. 275 —2 Swedish Match 344 —2 Volvo B (Free — 395 +4	Hutchlion Was. 30,75, —0,75 Intol City 0,97 Jardiot Math 13,5 —0,2	Tokyo Elect Pwr 3,910 30   Tokyo Gas : \$91 6	2142 C Nor West \$140, 140, 140, 140, 140, 140 Gration A 1 \$19 181, 19 (2545 Omega Hyd 450 440 450 +10
	OH : 1100 533 . +D	Banca Comile 29,090 -210 Bastogi IRBS 725 +11		New World Day 6.3 +0.1	Tokyu Corp 806 +6 Toppan Print . 1,700 -70 Toray 547 +2	1 300 CS Peter 1 305 300 300 -10 (705 Greynol 532 315 315 515 -5 (2000 Pach All 514, 14 144 +1, 1500 Bomboric 5216 215 215 15 150 150 Bomborid 5216 215 215 215 150 150 150 Bomborid 5216 215 215 215 150 150 150 150 150 150 150 150 150 1
	Novo Inda 255 +5	Centrale	SWITZERLAND	SHK Props 18.4 +0.1 Sheft Elect 0.98 +0.81 Swire Pag A 15.1xa -0.4	Toshiba Elect 427 + 3 Toyo Selkan 2,280 + 30	j 154773 Cl. Sk. Com 520 195, 185, -1, j 12089 Hawker 529 281, 29 +3, j 24375 PanCen P 5231, 23 231, -5, j 42590 Cescedes 5247, 241, 243, -
`	Privatbanken 276 —1 Provinsbanken 380	Credito Italiano 5,740 -60 Flat	April 29 ; Price + or	TV-B 6.5 World let Hidgs 8.45 -0.05	Toyota Motor 1,550	P 12-4407 CP LDD
٠.	Smidth (F.L., B., 316 +4 Sophus Berend., 970 Superios 275	Italcemenu	Adia Intt	JAPAN	Yamaha	12467 CP Ltd
•		Olivetti	Bank Leu		Yamanochi 5,160 ' ~ 20 Yamazaki 1,310 + 10	9500 Carior \$130, 132, 133, -1, 15592 Imasco \$399, 39 + 1, 15565 Powr Cor ! \$35 341, 341, -1, 12970 Power Corp \$349, \$37, 349, 1550 Cara \$309, 30 30 1850 Grap \$400, 20 +1, 1943 Powep \$20 193, 193, -
	FRANCE	Pirelli Spa	do. (Part Certs) 2,640	April 88 Price + or	Yasuda Fire 615 : -6	\$ 1000 CBU CAL CAL 2104 1214 1214 1210 18000 23014 20 3015 +17 100 CHARGEOL 1 117 1815 1815 -19 1 1000 MAIN DRIVE 2018 2018 2018
-	Apr. 29 Price + pr	Snia BPD	4180fLOMTIT****** 9'033 *** ***	Alinomoto 1,590 Ali Nippon Air 845 . +5	April 29 Price + or	יי איבי ביבי איביים האוויוניות הייבין ביו האוויוניות האוויוניות אוויוניות האוויוניות האוויוניות הייבין איבי איבי
	Emprunt 4,8 1973 1,555 -4	NETHERLANDS	Fischer (Geo) 1,630 -20 Hoff-Roche PtCts 118,625 +8625 Hoff-Roche 1:20, 11,956 + 600 Jacobs Suchard, 7,850 -100	Alos Electric 2,050 +10 Asahi Chem 830 +10	· • • —	5600 Carolin 150 145 145 -5 101850 Inmopec 518% 18% 18% 18% 18% 15% 15% 15% 15% 15% 15% 15% 15% 15% 15
	Accor 470 —10	April 29 Price + or	Jacobs Suchard. 7,850 – 100 Jelmoff	Bank Tokyo 770 ; -5 Bridgestone 635 +19	Boustand Hidgs . 0.85 - 0.81 Cold Storage 2.62 - 0.84 DBS # 72 - 0.85	
	BIC 661 . —9	ACF Holding 294 -1	Oar-Buehrie 1,980 — 5	Brother Inds 612 + 1 Canon	Genting 0,50 -0.92 Haw Par, Bros 1,86 +0,18	
	BSN Gervais 3,960 —5	AEGON 106.8 -0.7 Ahold 75 -0.5	Sandoz (Br) 12,100 +500	Chugal Pharm 1,240 -30	Haw Par, Bros 1,86 +0,18 Hong Leong Fin 1.77	l Indices
:	Carrefour 5,630 -160 Club Mediter'n 530	AKZO 183.7 —0.3 ARN. 576 —1	Sike 1,700	Dia-ichi Kan. B 1,550 + 50 Dia Nippon Ink 468 + 1	Keppel Shipyard 0.88 +0.87 Malay Banking 3.38 +0.88 Malay Utd. Int. 1.19 +0.89 Multi Purpose 0.37 +0.82	NEW YORK-100W JUNES
	Cofimen 465 3	AMEV	Schindler (PICS) 880 +50 Sika 1,700 Surveillance A. 6,590 - 10 Swissair 1,925 +25 Swiss Bank 777	Dalwa House 1,350 20 Dalwa Sec 1,350 20	Multi Purpose 0.37 +0.02 OCBC 6.15 +0.25 OUB 2.24	1985/86 Some Decellation   Apr. Apr. Apr. Apr. 1986
•	Damart	Bredero Cart     204     -1       Bos Kalls Westin.     15.8     -0.1       Buehrmann Tet.     160.5     -0.8       Calland Hidgs     18     -0.1       DordischaPet*m.     181.2     -1.5       Elsevier-NDU     185     -2.5	Swiss Reinace 18,800 +50     Swiss Volkabk 2,650 +20	Fanue 7.680 20	Public Bank 0.88 +0.81 Sime Darby 1.16 +0.82	April April April April April April April April Low High Low AUSTRALIA  29 28 25 24 High Low AUSTRALIA
•	Darty 2,989 -69 Durnez S.A	DordischePet'm, 181.2 – 1,5 Ebovier-NDU 186 – 2.5	Winterthur 6,380 -150 Zurich ins 8,225 +50	Fuji Bank 1,510 ' +10 ' Fuji Film 2,480 '20	Singapore Air. 6.50 +0.05 Singapore Press. 5.80 +0.15	bedustries 1,823 91* 1,843 75 1,835 57 1,831 72 1,825 51 1,831 72 1,825 51 1,831 72 1,825 51 1,831 72 1,825 51 1,831 72 1,825 51 1,831 72 1,825 1,221 1,825 1,831 1,721 1,835 1,831 72 1,831 1,831 72 1,831 1,721 1,831 1,731
	Essilor	Fokker 93 -2	<del></del>	Fuji Film	Straits Trading 1.92 +0.08 Tat Lee 8k 1,91 -0.81 UOS 3,00 +0.0	Transport 803.73" 815.25 818.97 811.45 812.73 815.53 838.84 886.97 838.84 12.32 AUSTRIA Credit BK Aktion/2/1 62: 128.95 , 129.76 128.06 129.15 130.69 (23.4) 110,12 :5 5
	LaFarge-Coopee 1.495 ·50 L	Heineken	AUSTRALIA	Green Cross 2,380  50   Helwa Real Est 921	SOUTH AFRICA	10 17 July 10 10 17 July 10 17 Ju
	Legrand 3.845 : -2031	Hunter Doug, N/V 61.5 + 0.5 Int. Mueller 73.5 + 0.5 KLM. 49.6 + 0.3	April 29 : Price + or Aust 8	Hitachi Credit 1,450	April 29 Price I + or , Rand · —	100.13 103.35 100.10 100.00 10
-		VND 129 46	ACI Intl	Indl. Bk. Japan. 1,410	Abercom 2.05	Trading vol 124m - 155m 167m DENMARK Copenhagen SE (5/1.83) 191 241,61 (c) 246,40 250,70,18,4, 214,57 (2))
•	Michelia 8	Nat Ned Cert 81.5 +1.5 Ned Mid Sank 192.5 -0.5		Isuzu Motora 551 +4	Allied Tech 62	April 25 April 18 April 11 Year Age (Approx) FRANCE CAC General (31.12-82) 101 402.7 404.9 400.5 404.9 125 41 267,8 (21)
		Oce Grinten 452 +2 Ommeren (Van). 53 +0,2	Aust Gusrantes 5.4 Aust Nat Inds 3.35 -0.81		Anglo Am. Cost 40.25 +0.25 Anglo Am. Corp. 40.85, -1.4 Anglo Am. Gold. 225.0 -5 Barciave Bank 18.25	Ind Dis York 18 254 2.54 2.54 4.78 Ind Tendance -31 12:85) 147,5 150,1 152.8 151.2 152,0 :25 4: 101.6 :2 1
	Petroles Fra 388 —7.1	Pakhoed 68.5 +0,5	APM 5.5 5.6 Bell Group 8.16 -0.06	Kajimi	Barcleys Bank. 18.25 Barlow Rand 15.0 -0.1 Buffels 64.0 -3 CNA Gallo 2.0	STARMARD AND POORS    See Completion   1885/86   Succe Completion   1885/86   716,05 705,81 721,67 720,78 755,88 17 41 818,54 27
	Printemps (Au.) 725 +9	Robeco 92.7' +0,2	Sond Corn Hidge 3.6 +0.65	Kawaski Steel 156 i Kirin 1,210 . +20	Currie Finance ; 4,85;	100.0 1277 100.0 1277 100.0 1277 100.0 1277 100.0 1277 100.0 1277
	Redoute	Rojinco 84.3 0.3-1	BougeInville: 2.55 -0.06\$	Kobe Steel 1792 Komatsu 474 Konishiroku 728   +9	De Beers	Agril
	Sefimeg 550 30 (Skis Rossland) 1.300 70	Uniferer 452 452 454 1	B. H. Prop 7.38xd 40.88	Kubota 342 +3 Kumagai 820 +10	Gold Fields S.A 33.5 -0.5 Highward Steel 6.25 -0.25	Industrials 257.45 271.07 259.04 259.76 259.56 271.58 224.88 271.58 3.62 ITALY Sance Committee (1572) 742.66 759.68 ct 757.84 774.95 (21 4) 454.67 (24:
	Telemec Elect _ 3,350 (3-70) Thomson (OSF) _ 1,810	VMF Stork 288 405 Value 898.5 0.5 Value 898.5 0.5	Brambles Inds. 6.8 Bridge Oit. 1.28 -0.82 B. H. Prop. 7.38bcd +0.05 Burns Philip. 6.7 +0.1 GRA	Kyooera	Maribank: 164 ±02	Companies 239.5F 203.00 202.29 200.02 241.75 202.02 244.74 203.48 244.74 4.48 MINNO 155.450
	Valeo	HERE OU DELIKE 1. OU 1 H	Chase Corp B.3	Mazda Motors 409 +8	OK Bazzars 11.50 Rembrandt 52.0 +0.5 Rust Plat 31.00 -1.25	[21/4/86] [22/4] [23/4/86] [17/8/34] Tokyo SE New (4) 1/68) (C) 1248,11 1245,01 1265,85 (3),51 1825,85 (2);
	NOTES—Prices on this pag		Coles-Meyer 6.D6 +0.86 Comaion 'A' 2.33 -0.85 Consolidated Pet 0.16 Costain Aust 2.55	ME1	Satren	April April April April Per Ago (Approx)  April CBS General (1978) 257.0 257.5 270.6 270.7 273.8 /17-4 : 249.4 (3-4)  ANP.CBS Indust (1970) 254.4 254.9 256.1 256.1 259.7 (17-4 : 254.0 :5-5-
	individual exchanges and are lat suspended, xd Ex dividend, xc E	a naith issens were HRAME	Costain Aust 2.55	M'bishi Corp 722 . —8 M'bishi Elect 355	Smith (C.C.) 28.5	Ind div rick th
<b>.</b>	48 Ex all, * Price In Danish Kron	ner.	Energy Res 1.75 : -0.02	M'Dishi Estate 1,750 +10	Unisec	Ind. P/E Ratio 17.22 16.56 11.28 NORWAY Calc Control C
						- I DINCARDE

TORONTO

MOSTIREAL Portfolio

# OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

.S 2421. \_ 5507A

Stock Sales High Low Lest Ching (Marks)	Stock Sales High Law Last Cheg (Stock)	Standt Sales High Law Last Ching (Hinds)	Stanck Sules High Love Last Ching   
Continued from Page 37	RoedSv 1.10 768 43 421 <sub>2</sub> 421 <sub>2</sub> - 1 <sub>2</sub> RobNeg .06 315 121 <sub>8</sub> 12 12 + 1 <sub>8</sub>	Spire 34 141 <sub>2</sub> 141 <sub>4</sub> 141 <sub>2</sub> SterSur 73 117 <sub>4</sub> 111 <sub>2</sub> 111 <sub>2</sub>	US Ant 144211-16 25 25 25 US Scp 1 119 40'6 39'8 39'8 - '8
PacoPh 25 22 2134 2134	Robbyso 76 1074 154 554 - 14 Rouses .60 409 315 3114 315	Stateld 20 115 104 104 104 104 18 Standy 1.08 117 4112 4114 4114	USDson 381 214 2 2
Part Ob 80 78 9 85 81 - 1	RoyPim 1 184 Se St St - 1g RoyPis 41 25 25 25 7	Stathlic 1148 21 19 197 - 3 Stanhin 1.52 104 394 394 394	US HRC .12 2512 19% 19% 19% 19% - 14 USShelt .12 25 4 37 4
PaintM 310 5% 512 512 - 14 Paulitr I 108 1958 1918 1938 + 18	RustPol 4 11 11 11	Statistics .64 373 55% 56% 54% 1 12 Statistic .054 105 71% 7 71%	US Sur .40e 876 26 <sup>1</sup> 2 251, 25 <sup>1</sup> 4 - 14 US Trs 1.32 429 59 58 <sup>1</sup> 2 58 <sup>1</sup> 2 - 14
Paulitr I 108 195 197 195 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	RyanFs 880 324, 31½ 32 - ½ S S	Stelper 21 54 54 54 + 14	UStath .24 110 211 21 21 21 + 14 UnTelev 2 30  301 301 301 3
PegGld .08 111 日 8 8 8	8AYInd 28 90, 91, 91, - 1,	80 MM	UVaBs 1.84 58 60 5978 60
Pentair .66 45 30 294 30	SFI 196 287 251- 251-	Strike 148 10 <sup>4</sup> 2 10 10 - 5g Stratus 1330 240, 231 <sub>6</sub> 231 <sub>7</sub> - 1 <sub>7</sub>	Unv/m 70 3412 34 3412 + 12 Unv/ttt 821 1456 1456 1456 1
PeopEx .15r 2407 97g 91g 90g + 1g Petrite 1.12 695 2714 2614 27	SPE 166 8 74 74 14 SRI .80 116 244 23 232 1	Str. Cla .540 349 511, 80 501 <sub>2</sub> - 3,	UFSSk 22e 57 15% 15% 15% 15% - 14 Uscar 28 136 6% 8% 5% - 14
Phrmet 825 1214 1135 1134 - 18 PSFS 204 1819 10 978 10	Safetods .24 981 24% 23% 23% 36 Safeto 1.50 1849 59% 59 58%	Subaru 2.26 114 273 27012 27212 + 12	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Philis .536 1224 25 247 25 + 14	Saff-lits 56 8 71 71 - 14	Surrathi .10 141 83 514 83	VL 93 61 <sub>9</sub> 6 6 – 1 <sub>8</sub>
Phro.Am 57 5 478 478 478 478 478 478 478 478 478 478	Stande 591 287, 26 297, +1 StPaul 3 489 96 977, 977,	SunCat 313 2 13-16 25 25 -1-18 SunMed 1 141 <sub>2</sub> 141 <sub>2</sub> 141 <sub>2</sub> - 1 <sub>4</sub>	\VMX 937 4 31 <sub>2</sub> 37 <sub>8</sub> + 7 <sub>4</sub> ]
PicCata .52 37 25 242 242 4	SalCpt 206 10 9% 16 + 14 SavnFs 88t 2 3014 3014 - 58	SupSky 11 147 14 14 Supriex 10 4 4 4 + 1s	VSE _20 2 14 14 14 14 ValidLg 837 83g 81g 81g
Pionifi 1.04 1949 4174 39 4174 +2 Pronist .12 7 10 10 10	SBMPSs .44 716 25% 24 .24 ~275	SymbT . 104 151s 147s 157s	ValfSt. 1 74 329, 321, 321, - 1,   ValNet 1.32 578 461, 457, 46 + 1,
PoFolk 10 1054 1072 1072 - 12 Picyleg 808 1994 1914 1912 - 14	ScanTrs 76 201, 1954 20 ~ 12	Syncor 485 87 88 89 117 12 Syntects 96 12 117 117 117 117	Vall.n .40 13 2812 2812 2812
Pores 432 327 524 3212 + 14	SchlmA .44 34 39 3814 3814 - 14	Symtex 195 St. 46 5 ~ 16 Syscome 20 135 154 142 15 ~ 16	Vanzeti 4 4% 3% 4% + 32 Ventrex 848 7% 6% 7% - %
Powett 10 178 178 178 Powrtcs 6 15 1412 1412 15	SciMic 188 61 61 61 61 68 16 66 66 66 66 66 66 66 66 66 66 66 66	SyAsoc 8 1034 1074 1074 - 12 Syatin 58 814 8 814 + 14	Vicorp .12e 186 203, 204 204 ViedeFr .22e 145 69, 69, 69
PurConv 520 141, 14 14 ProCst 943 261, 261, 261,	SCHOOL 45 L DAG DAL A	Systing 354 154 164 165 + 1a	VIII/10 90 171 171 171
ProdLg 94 17 161 167 + 3 Priam 643 71 71 71 71 18	Sports 2967 131, 125 125 - 15	Synatomat	Virtel 33 254 29 2872 4 Votavi 290 712 74 738
PriceCo 771 481- 45 4514 - 34	Section 3 112 172 112 - 14 SEEQ 743 272 256 256 - 16	TBC 147 1212 1134 1134 - 15	Voldet 59 194 1912 1912 - 14
ProdOp 15 34 4 4 4	Selbel .80 10 1912 19 1912 + 12 Semica 19 8 74 5	TacViv 4 3% 3% 3%	W W WD40 1.04 239 27₁ 26٩, 26٩, ~ 1, 1
ProgCs 12 72 68 664 574 ~ 4 ProptTr 1.20 30 124 12 126 + 3	Sensor .05 594 81s 8 B - 1s	Tendent 5670 32 30% 31% - 12 Tandon 13692 65 64 69 16 TcCom 1 1854 1854 1854 1	WasbCa .52 205 240, 244, 2472 + 4
PuriBe .40 77 475 47 474 4 4 CMS 621 125 125 125 125 1	Syrrests .84 135 25 -243, 25	Tandon 13892 65g 64 67g 1g TCCom 1 1854 1854 1654 + 5g Tatco 452 165g 67g 67g - 7g	WahE 1.84 424 287, 2612 2512 - 3
Quedra: 1894 141 1314 1314 + 18	Servico 1 6 20 20 20 20 - 3 Sub-rot 178 31 31 31	TicmA 521 497, 4674 455 - 19 TelPlus 1365 77, 71, 73, -3,	WFSLs .725 399 314 31 314 + 14 WMSB .200 488 281 271 28 + 12
Quentra 1571 28 254 254 ~ 4 1	SvOuks .16 125 20 195 195 - 3 Shraded .50 1482 39 363 38 + V	ר ב' - ב'19 Telecro ב' - ב'19 Telecro	Wavetk 63 85g 874 914 Webb 40 130 1212 1214 1212
Questin 91 57g 534 534 Questins 503 1492 1894 1314 ~ 1	Shwmt 1.84 128 4554 4814 4812 - 14	Teleba 39 135, 137, 137, - 5	Westfo 409 481, 471, 48 + 7, Westfo 1210 24 259, 2012
Quotra 1265 185 185 185	Sheidi 43 89 81 81	Telcons .01 600 3514 32 3214 - 1 Tempo .14 12 1014 504 504 - 1	WM:cTc 129 10 5%, 10 + 1, }
R R	ShonSos 170 189, 189, 189s	TermOt 753 314 275 3 TherPt 296 475 454 475 + 15	WY71As 58 18% 18% 19% 19% 1 WmorC .40 58 20% 20% 20% 20% 1
RAX .01e 37 9's 9 9 RPM .62 313 213 21 21 - 4	Silicon 271 414 518 375 - 14 SiliconS 1070 18 1814 1836 - 14	Thermd 1316 25% 23 23% - 178	WesterCa
RadSys 80 155 154 155 + 16 RadtmT 119 812 814 912	SHICVES 18 18 1812 1812 - 12 SHICVES 1096 19 176 1734 - 1	Therins .78 288 324 31 314 - 1 Thorise 820 24 17 2 - 6	Wicat 645 64 57 67 + 4 Widcom 251 27 2 2 21 + 4
Radion 10 1014 1014 1014 + 12 1	Sitted: 96 6 514 514 - 38	ThouTr 394 65 65 65 65 - 19 Tiprary 121 2 5-16 5-16 - 1-15	Williamst 1.65 54 651, 641, 65
Flagen 178 St. 51, 51, 51, 18   18   18   18   18   18   18   18	Sippins 85 13 121 127 - 38	TotiSys 22 48 45 47 TrakAu 2 124 1254 1254 - 14	WmeSn 11 25 2214 2214
ReyEn 34 84 219 21 2114 RedICr 26 25 25 25 25 5	Skipper .08 50 101e 10 101s	TriadSy 179 114 111 111 111 1 1 1 1 1 1 1 1 1 1 1	Window 882 612 616 614 + 19
Reaching 185 24, 231, 231, 231, 12 Reachin 28 124, 113, 12	Smith. 990 31 27 27 - 1-12 Society 1.82 370 674 664 584 - 14	นั้น	WeerO .40 50 1378 135 1378 Weedhd .60 104 1372 1372 1372
Redon 200 64 25 241, 241, - 12	SoctySe 562 2714 2512 2514 -1 Sottech 814 129 12 12 - 14	USLIC .80 11 274 274 274 - 12 UTL 163 224 213 214 - 1	Worsings 44 197 287 281 281 281 - 14 Wyman 80 40 231 234 231
POCYES 20 531 75 75 77 77	SoftwA 170 183 177 1776 - 12	Ultray .08e 165 101, 1014 1014 - 1a	XYZ
Region 12 43 17 16% 16% - 4 Settab 23 7% 7% 7%	Speriet 450 267 10 B B	Unitte 544 1874 1573 16 - 14	Xebec 483 3 278 3 + 18 Xicor 1242 12 113 1112 - 1
Robith 433 175 175 175 1	Solicisp 463 51 52 57 19 Shidin 52 237 201 200 200 201 13	UACONS DE 886 32 25% 31 +114	X QQX 2U94 2U 1924, 1934,
Reutert .15e 34 1714 154 164 - 12 Reutert .33e 898 4314 421e 4214 + 12	Sources .10 371 814 8 518 - 14	UBANO 1 38 8% 8 84 7 19 UBCo) 1.00 140 324 512 312 - 2	YiowFs ,54 316 3614 3614 3614 - 34 Ziegler ,48a 17 1914 19 1914 + 14
HayRys 186 3014 2594 3014 + 14	Sovrans 1.25 950 413, 404 404 -1	UFnGrp 34 45 45 45 45 UFerFd 20 220 324 327 324 + 4	Zitel 194 514 458 478 + 14 1 Zivrad 105 578 51, 534 + 18 2
Plibitm 403 1014 678 10 - 15	Spotrem 185 1012 1014 1012 + 14	UGrds 1.64: 19 111, 1014 1114 + 12 UBread 18 151, 140, 1514 + 3.	Zondvn 267 21 201 204 + 1 Zymae 401 25 26 27-18 - 3-16
Richiza 584 3(74 307 30% + 16 (	SpacCti .07 208 16% 10% 10% - %	प्राच्छा छ छन्न स्टा छन्।	

	Agric	Aora	April 1	Amir		Ami	19	1985/86		neglation.	1	Apr. 29	Apr.	Apr.	Apr.		986
	28	28	25	24	23	22	Heph	Law	High	Law	AUSTRALIA		_ <del></del>			High	Low
jadujariai	s 1,823.91°	1,843,75	1,835,57	1,831.72	1,829.0	1 1,839,5		1582_25 51 22/1/88			All Ord, 1/1/80; Metals & Minis, /1/1,80;	1205.1 428,7	1206,9 529,2	151	1210,4 540,3	1216.7 - 18 4 - 692.0 - 24 3 -	10 18.0 ± 482.5 ±2
Transport	803.73*	815.25	818.97	211.46	8127	13 B 15.E		8 586.97 8/1/25			AUSTRIA Gredit BK Aktien:2:1 62:	128,95	129,78	128.08	129.15	120,69 -23 4	110,12 /5
Utilities	180.15*	185,58	185.70	186.85	1872	1967 (		7 159.47 9 22/1/88		18.5 (28/4/42)	BELGIAN Brussels SE (1/1/80)	3594.77	36 16, 1D	3667.64	3700,16	8700.18 (24/4	2766,91 r
Lungad A	4	124=	•	-	1580	162=	-	-	-	-	DENMARK Copenhagen SE (3/1.83)	ופי	241,61	'e,	246,40	250,70 : 19,4	214,57
April 25 April 18 April 11 Year Aga (Appril 10 Dir Yield No 3.55 3.54 3.64 4.78						<del></del> -	FRANCE CAC General (\$1.12-52) Ind Tendance (\$1.12-85)	1U1 147,5	402.7 150, I		400.5 151.2	404.9 :25 4 152,0 :25 4					
**************************************	AND POO										GERMANY						
الراحيدية ا	1 450 (100	T					1985	/86	Sancer Co	melation	FAZ Akben (\$1,12/\$8) Commerzbank (1,12/55)	718.05 2175.7	705,91 2154,7	721.67 2195.2	720.78 2162.2	753,88 : 17 4 2278,6 : 17 4	818,54 ( 1665.6 (
:	April 29	April 28	April 25	April 24	April   23	April 22	High	Low }	High	Low	HONG KONG Hang Seng Bank:31/7.64:	1825.29	1848,65	1854,62	1824.51	1848 65 (28	1559,94 (
dustrials	257.45	271.57	263.07	259.44	258.75	258.98	271.53 21/4/86	224,88 (22/1)	271.68 (21/4/88)	3.62 (30/6/32)	ITALY Sanca Comm Ital. (1572)	742,85	752,68	.01	757.84	774,95 -21 4	454,67
otoposkie	239.58*	243.88	242_29	242_02	241,75	242.42	244.74 21/4/86	203.48 (22/1)	244.74 (21/4/86)	4,48 (1/6/32)	JAPAN*** Nikkei :16:5:45) Tokyo SE New :4;1:66:	161 161	35757_9 1248,11	75689,88 1245.11	15662,0 1245,01	15859,7 (31) 1265,83 (31.5)	12891.5 °
	٠	·	T	April 23		April 16	App.		ear Ago (		NETHERLANDS ANP.CBS General (1970) ANP.CBS Indust (1970)	257.0 254.4	257.5 254.9	270.6 256, l	270,7 256,1	275,8 /17-4/ 259,7 (17-4)	240.4 r 254.0
ul. P/É R	6 44 atio land Yield		j	2,95 17.22		7.18	3.1 16.5 7.3	ē ,	3.8 11.2 11.3	B	NORWAY Osio SE -4:1:85:	354,B9	551,08	\$59,47	563,22	452,91 (16-1)	534,89
Y.S.E. AL	COMMON						BISES	AND FALL	5		SINGAPORE Strai & Times - 58/12/86;	671.56	585,54	578.60	574.19	644.89 (8.1)	565,54 (
priš A	ani Amii	Acril	15	385				April 29	April 23	Aptd 22	SOUTH AFRICA						
ž9 ] 2	8 25	24	High	LOW	_ =	yes tradéd		<del></del>	1029	2.060	JSE Gold (28/9,78) JSE Indust (28,9:78)	Ξ.	1 159.2 1088.7	1175,9 1094,7	1205.1 1888,4	1307,9 :27·11 1203,1 :20:3:	1109,1 d 1063,3 d
FR5. 13	138.52		141,87 (21/4/86)	117.75 (22/1)	Rrs Fat	es s benoed		764	613	648 1,612 400	SPAIN Madrid SE (59/12/85)	179,82	177.05	173,92	170.92	179.82 -29 4	100.83
		ii	EW Y	ORK		/E STO		-21	-7/2 (		SWEDEN Jacobson & P :51,12:56:	2261,35	2955.06	2502.95	2314,05	2372,95 -22 4	1729.57
Monday		Stocks Traded	Clasing	Changa				Stocks	Closing	03Y	SWITZERLAND SWISS BankCpniš 1/12-58	587,4	580,5	586,4	561,2	825.5 (8 1)	554,7
rd Me	2.0 stor 2.0	282,400 288,300	304 7944	-11, -11,	188	f	p 1	406,600 313,400 300,100	301 <sub>4</sub>	-14	WORLD M.S. Capital Intl. (1-1.78		821.5 ·	319.6	318.4	\$22.2 <b>:</b> 21:4:	. 249,8 :

\*\* Saturday April 26: Japan Nikkei 15,707.3. TSE 1,246 32.

Base value of sit indices are 100 except Brussels SE—1.000, JSE Gold—255.7.

JSE industriat—284.3, and Australia. All Ordinary and Metals—500. NYSE All Common—50; Cuandard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portiolio 4/1/83. † Excluding bonds. ± 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports c Closed. u Unavailable.

# Technical factors dominate Europe

Low

Continued from Page 38

The selling pressure subsided in Brussels although the absence of many international and domestic buyers produced thin trading and a sharp enough retreat in the Belgian Stock Exchange index, which finished a further 21.43 down at 3,594.77 after Monday's 51-point fall.

April April 29 28

April 25

**April** 24

2,161.1" 2,167.4 u/a 2,162.8 (2,442.85 (2)/3/85) 2,057.1 (2/1) 2,159.4" 3,128.4 3,125.20 3,125.1 3,129.11 (18/4/88) 2,754.8 (17/2)

1,865.94\* 1,811,21 1,829.23 1,887.21 1,8231383398/4/86 1,388.5 (22/1)

Industrial leader and bourse bell wether Petrofina, however, turned in a steady performance with an unchanged close of BFr 7,320. UCB, which announced a 9 per cent rise in parent company profits late on Monday, lost BF 30 to BFr 6,920.

Madrid hit another record with a 2.79 point rise in the Bourse index to 179.82. Construction issues spareheaded the raily with Dragados picking up 40 percentage points to a record 428.50 per cent of nominal value. Leading communications group Telefonica hit a new high for the year with a further 6-point gain to 208 per cent.

Profit-taking chipped away at Milan again as many operators were content to wind down activity before tomorrow's May Day holiday. The cuts in prime rates, more of which were announced after the close, had little impact on sentiment

Blue chips were particularly vulnerable to the technical correction, and Fiat suffered an early L300 markdown but closed steady at L12,400. Montedison lost L99 to LA,270. Generale, which lost L1,500 on Monday, shed a further L2,000 to L136,000.

Stockholm edged higher in moderate

trading. Volvo, most active, reversed the inroads made by Monday's profit-takers and finished SKr 4 higher at SKr 393. Electrolux, also busy, rose SKr 2 to SKr 285. Fermenta added SKr 2 to SKr 177

on strong takeover speculation.

Both Aga and Asea firmed SKr 3 to
SKr 201 and SKr 487 respectively while
SCA picked up SKr 6 to SKr 226.

SKF added SKr 4 to SKr 335 after

poor results while Pharmacia retreated SKr 2 to SKr 230.

Amsterdam was mixed ahead of to-day's bank holiday while Zurich was slightly firmer.

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The state of the s	MISE COMPOSITE PRICES	AMEX COMPOSITE PRICES	Prices at 3pm, April 29
	Conditued from Page 36  (2) Pall Pril II 12 240 1045 1045 1045 1045 1045 1045 1045 10	SAT 198 335265 No 63.16 63.16 - 16 -59 -59 -27 -28 -27 -27 -28 -27 -27 -28 -27 -27 -28 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Richards
		OVER-IHE-COUNIER Nasdaq national market, 2.30pm prices	
## AND DELIVERY  ## AND DELIVERY    Secondary   Complete   Complet			Size   Lips
	HAND DELIVERY  LUGANO/ZURICH  Your subscription copy of the FINANCIAL TIMES can be hand-delivered  SERVICE  Your subscription copy of the FINANCIAL TIMES can be hand-delivered  To your office in the centre of any of the cities listed above.	278   Cotat 2781 39% 37°2 37°4 1°8   Europart 227 26°2 28°4 26°4   KASHOT 2°7 1°24 1°7 1°27 3°1	PNCs 132 687 44 45 43 - 19 Pacar 140 255 57 552 552 552 PacFel 350 16 155 153 + 19 PacTel .50 72 14 1514 14 + 19  Continued on Page 35

# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

# Additional cause for gloom

DISAPPOINTMENT with the flow of corporate trading reports continued to foster doubts on Wall Street yesterday, writes Terry Byland in New York.

The blue-chip stocks opened steadily but fell heavily at midsession when premiums on stock futures narrowed. triggering selling programmes across the range of the market. Technology issues led the rout as investors reacted to IBM's report to stockholders.

There was some nervousness over losses in selected utilities as reports reached New York of the serious nature of the nuclear accident in the Soviet

At 2pm the Dow Jones industrial average was 19.84 down at 1,823.91.

The Dow utilities average slumped more than 5 points when stocks of some nuclear powered utilities fell heavily on the possible implications for US safety regulations of the Soviet accident. There was heavy trading in Long Island Lighting (Lilco), operator of the Shoreham nuclear plant near Manhattan. At \$11% Lilco was 5% off.

Other utilities to weaken included Consolidated Edison, with 17 per cent of its power nuclear generated, which fell

FT-Actuaries

All-Share Index

1983

April 29 Previous Year ago

815.26

185.58

243.08

1,628.8

801.14

877.37

253.7

closed 15,757,98 12,405,1 closed 1,248.11 967.93

1.206.9

129.78

3.594.77 3.616.10 2.223.83

2,161.1° 2,187.3 2,029.0 3,119.4° 3,126.3 2,650.9

1,605.94\* 609.33 130.92

402.7

150.1

703.91

2,175.7 2,134.7 1,230.1

1.826.29 1.848.65 1.497.37

267.5 254.9

571.32 563.34 795.53

351.03 326.06

177.03 80.35

742.86 752.88

n/a 241.61

529.2

8.97

1,843.75 1,259.72

STOCK MARKET INDICES

1.823.91

804.59

181.32\*

813.68

891,90

247.8

1,209.1

128.95

147.5

718.05

254.4

1984

578.39

154.13

180.63

1,292.9

622,11

682,67

501.3

10.57

79.73

187.7

76.1

422.51

279.38

169.9

1985

Yen

1986

6.9325

1.8195

1,489.0

44.25

1000 End month figures

900

800

700

600

500

NEW YORK

DJ Industrials

DJ Transport

FT-A All-share

FT Gold mines

FT-A Long gilt

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELGIUM

CANADA

Credit Aktien

Belgian SE

Composite

**Montreal** 

DENHARK

FRANCE

CAC Gen

Ind. Tendance

FAZ-Aktien

HONG KONG

Hang Seng

ITALY

WEST GERMANY

Commerzbank

Banca Comm.

METHERLANDS

ANP-CBS Ger

ANP-CBS Ind

NORWAY

SINGAPORE

JSE Golds JSE Industrial

SPAIN

Straits Times

SOUTH AFRICA

SE

TOKYO

S&P Composite 239.79\*

DJ Utilities

LONDON

KEY MARKET MONITORS

\$1% to \$42%. Atlantic City Electric, with 21 per cent, down \$1% at \$34%, Carolina Power 19 per cent, down S14 at S324, and Eastern Utilities, 11 per cent, down \$1% at \$31%.

Losses among the leading computer issues were extended sharply as the selling programmes dug into the market. IBM lost \$2% to \$158% in heavy turnover as Monday's late buying spurt died away and the market was left to absorb the

board's cautious report to stockholders. Sperry Corporation dropped S1% to \$54% after announcing annual profits. Other dull features included Burroughs, once a prospective bid partner for Sperry, which dippedS1% to \$60%, Digital Equipment, down \$2% at \$180, and Honeywell, S5% lower at S75%.

Semiconductor issues also trembled after reports that a leading analyst might downgrade the sector. At \$48% Motorola fell \$1 in brisk selling.

Hardest hit among corporate reporters was Raychem, the manufactured plastic group, which plunged \$19 to \$107 after reporting increased earnings which failed to match the bulls' hopes.

American Brands jumped a further \$1% to \$93% although Bat Industries of the UK declined comment on market hints that it might bid for the US company. On cooler consideration, Wall Street scouted the rumours, pointing out that American Brands is a weak player in a competitive US tobacco industry plagued by worries over product liability at-

There was some hefty profit-taking in pharmaceuticals, where Merck dipped \$1% to \$176% and Pfizer \$1% to \$59%. Weak chemicals were featured by Du Pont, down S1 at S78%.

1350

STERLING

1.5555

3.365

250,0

2.8125

68.65

2.14

3.7975

April 29 Previous

1.5525

260.5

2.825

3.81

68.7

2.141

2,311.5 2,311.25

3.3775

1986 AP

CURRENCIES

2.164

1.808

1,485.5

44,15

1.3775

US DOLLAR

April 29 Previous

Widespread losses among the banks left J.P. Morgan down S11/4 at \$85 and Citicorp 5% off at \$45%. American Express, however, which it to buy in another 10m common shares, gained 5% to \$61¼ in heavy turnover.

Oils showed little change as investors waited for the next trend in world prices. Chevron eased \$% to \$38% on results. At \$57%, Exxon shed \$%, and Atlantic Richfield lost a further 5% to \$52% in continued reaction to the lower profits news.

Reports of some scattered buyin of federal bonds from Japan helped government issues put on half a point or so. but the credit markets remained wary ahead of today's expected announcement of a \$25bn Treasury refunding pro-

The latest federal data on US economic indicators and housing starts left analysts still in doubt on the pace of the

The Fed again helped the markets, this time with \$2.5bn in customer repurchases when federal funds were at 6% per cent. Short-term rates edged higher, none the less, as the market continued nervous about teh immediate outlook.

### **TOKYO BOND MARKET**

# Surge of activity in **US** issues

FOREIGN bond purchases by Japanese institutional investors, such as life insurance companies and trust banks, have grown rapidly, creating in Tokyo an over-the-counter market in long-term US government bonds, writes Shigeo

Nishiwaki of Jiji Press. These long-term bonds account for about 90 per cent of the foreign bonds purchased and have a sizable impact on the bond market in New York. Meanwhile, some large Japanese securities houses have applied to become primary

These developments have reduced the distance between the bond markets in Japan and the US.

In 1985 Japan's foreign bond purchases amounted to \$291.4bn and sales to \$237.9bn, resulting in net purchases of \$53.5bn, which nearly matched the nation's trade surplus for the year. The net foreign bond purchases were double those in 1984 (\$26.8bn), which were twice as large as those in 1983 (\$12.5bn).

The growth has continued into this year. Net foreign bond purchases came to \$5.7bn in January, \$6.0bn in February and \$8.5bn in March. In the first half of

The Tokyo market was closed yesterday for a national holiday.

April it is estimated that purchases and sales were roughly balanced as a result of the dollar's sharp decline against the

Bonds with 20 to 30 years' maturity are favourite purchases, largely because the yield on 30-year US government bonds reached 13 per cent in 1984 to stand at about 6 per cent higher than the yield on 10-year Japanese government bonds. Their high liquidity is also attractive to Japanese investors.

A major change has recently taken place in Japanese investors strategy. They have shifted away from holding US government bonds for a long period, and to dealing in them for short-term

US government purchases amounted to \$229.1bn in 1983, more than doubling sales of \$104.0bn. In 1985 both purchases and sales far surpassed the 1983 levels. but purchases were just over 20 per cent larger than sales.

This might be attributed in large measure to a narrowing of the differential between US and Japanese bond yields to about 3.5 per cent and wider fluctuations in exchange rates. This also reflected the fact that Japanese institutions have become increasingly eager to hedge the risk of price changes as their foreign bond holdings swelled sharply.

As a result of the surge in Japan's foreign bond purchases, trading volume on the over-the-counter market for longterm US government bonds in particular increased impressively to \$176.1bn in 1985 from \$54.5bn in 1984 and \$22.6bn in 1983. The rapid growth has continued again this year.

Lured by the expansion of the market, Fundamental Brokers of the US has moved into Japan, providing major financial institutions with information about prices of principal US bonds. Another US broker inputs in its computers the bid and asked prices of US government bonds quoted by major securities firms in Tokyo.

As the bond markets in Tokyo and New York are increasingly interconnected, the supply and demand for US government bonds in Tokyo has had a major influence on the bond market in New

Large securities houses have actively participated in the auction of US government bonds. Their combined share of 20 to 30-year bonds auctions has risen to about 40 per cent this year, second only to US brokerage houses and banks. Their bidding strategy has thus come to influence the outcome of auctions.

They have applied to the Federal Reserve to become primary dealers, and by the end of last year the Fed had completed its first examination of assets, personnel and trading shares of two applicants - Nomura Securities and Daiwa Securities.

EUROPE

# Technical factors dominate

TECHNICAL FACTORS dominated mixed European trading resterday as foreign buyers remained measy over the course of the dollar and domestic investors prepared for the Niy Day holi-

day.

Frankfurt staged a sold recovery from Monday's sharp fall, and the Commerzbank index regained 4 points to 2,175.7, largely on the strength of per-

sistent domestic institutional buying and scattered bargain-hunting.

Deutsche Bank rose DM 16 to DM 867.50 while Commerciank recouped DM 12.50 to DM 353.50.

Siemens was the brightest spot in the electrical sector with its DM 7:50 surge to DM 677 although AEG staged a DM 10 advance to DM 349.

Among the car makers Damler re-bounded DM 22 to DM 1,499 and VW, which suffered a particularly harsh mark-down on Monday, recovered almost all of it with a DM 21.10 rebound to DM 632.10.

Builder Holzmann turned DM 11 closter to its high for the year to faish at DM 641.

Veba rose DM 35 to DM 38% a new high for the year, as its Preussenelektra subsidiary boosted its 1985 dividend.

Bonds were subdued as overses operators remained on the sidelines Gains of up to 20 basis points and losses of up to 30 basis points were recorded.

The central bank reduced its market balancing operations to sales of DM 8.8m worth of paper compared with Monday's sales of DM 15.1m.

Profit-takers surfaced in Paris is the pre-holiday mood spread to most sectors. The prime-rate cut was announced after the market had closed.

Building issues, which have under-pinned much of the bourse's recent advance, suffered steady technical selling. Bouygues gave up FFr 54 to FFr 1,300. and Lafarge-Coppee lost FFr 50 to FFr 1.495. Screg took a bruising with another FFr 9 decline to FFr 79.

Hypermarket group Carrefour tell FFr 160 to FFr 3,630 ahead of its profits forecast for 1986.

Among very weak engineering storts Dassault fell FFr 219 to FFr 1,631 d-

though Thomson-CSF in the electronics sector picked up FFr 25 to FFr 1,210.

Peugeot continued to rise with a further FFr 9 gain to FFr 1,049. Oslo continued to feel queasy ahead of the Government's decision about an early election. Industrials and banks were hardest hit as the bourse's All Share index lost some 4.2 per cent of its value

with a 11.56 retreat to 262.34. Some of the declines were the worst in a decade, according to brokers, but leading blue chips held up reasonably well. Norsk Hydro, which represents about a quarter of the bourse's capitalisation and which has been under severe pressure recently due to the weaker dollar and the fall in the oil price, fell NKr 2 to

Norsk Data, another popular blue chip among international investors, lost NKr 10 to NKr 425, a drop of 2.3 per cent. Continued on Page 35

### SINGAPORE

THE FIVE-DAY run of lower sessions came to an abrupt halt in Singapore yesterday as bargain hunters picked up issues, pushing prices higher across the

The Straits Times industrial index climbed 8.02 to 571.36, and volume increased to 8.1m shares from 6.3m on

TDM, the most active stock, rose 9 cents to S\$1.02, Sime Darby put on 2 cents to S\$1.16 and industrials were led by Fraser & Neave, up 15 cents at S\$5.65, and Singapore Press, higher by a

### CANADA

similar amount at \$\$5.80.

GOLD ISSUES edged higher while most other sectors traded mixed in Toronto yesterday.

Among companies to report higher first-quarter profits, Dupont Canada climbed CS1 to CS35% and Placer Development traded C\$% higher at C\$22.

Golds turned higher, with Lac Minerals up CS% at C\$19% and Campbell Red Lake C\$% stronger at C\$21%. Montreal was easier.

### **SOUTH AFRICA**

MOST ISSUES faded in Johannesburg as a weaker bullion price depressed oth-

Among gold issues Vaal Reefs dropped R9 to R204, Buffels R3 to R64 and Driefontein RL50 to R50.50.

Retailer OK Bazaars, which recorded a loss for the year to March 31, was unchanged at R11.50. The group expects an improvement in this year's results.

LONDON

# Electricals encourage positive lead

**ELECTRICALS** led London higher as the sector's firmness spilled over into other areas. Confidence was reinforced by exchange rates and also by an encouraging report from the employers' group CBI on UK industrial trends in April.

GEC was strongly supported, rising 14p to 208p, and Racal Electrical added

10p to 216p.

A favourable trading statement and relief over the absence of any call for fresh funds contributed to gains at Blue

Circle Industries, up 43p at 716p.
The FT Ordinary share index added 25.9 to 1,391.2, and the FT-SE 100 rose

27.5 to 1,656.3. Business in gilts was light, but in the absence of selling prices advanced. Longs recorded gains of around %.

Chief price changes, Page 35; Details, Page 34; Share information service, Pages 32-33

### australia

MINING issues were sold in Sydney yesterday, but renewed enthusiasm for industrials pushed the market slightly higher. As the Australian dollar strengthened

against the US currency, investors sold miners. CRA dropped 18 cents to A\$6.36 and Bougainville and Western Mining 5 cents each to A\$2.55 and A\$3.20 respec-

Wormald, rumoured to be a takeover target, jumped 28 cents to A\$4.10, a record price, while Adsteam also hit a peak of A\$13.70 before settling back to end at A\$13.60, up 30 cents.

### **HONG KONG**

PROFIT-TAKING, after the previous two days of record trade, clawed at gains in Hong Kong, and most issues ended generally lower.

The Hang Seng index gave up 22.36 to 1,828.29, and turnover rose to HK\$548.44 worth of shares from HK\$429.38m on

Banks, which recorded strong rises in Monday's session, were stripped of their gains. Bank of East Asia lost 10 cents to HK\$20.30 and Hongkong Bank 20 cents

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Compagnie Luxembourgeoise de la Dresdner Bank AG

Dresdner Bank International

Madrid SE 179.82 2,261.35 2,555.05 1,445.05 SWITZERLAND Swiss Bank Ind MS Capital Int'l Silver (spot fixing) Copper (cash) Coffee (May)

COMMODITIES 324,40p £919.50 **GOLD** (per ounce)

Oil (Brent blend) April 29 \$345.75 London \$343.60 \$343.25 Zürich \$344.05 \$345.83 Paris (fixing) \$342.50 \$345.00 Luxembourg S346.90 \$345.80 Mew Aork (Trius)

580.5 April 28 319.6 321.6 202.8 330.00p £925.00 £2,227.00 £2,228.50 S12.875 \$344.75

10% 4% 4% 7% US Fed Funds US BONDS 991/52 6.863 991/52 6.897 1993 1001% 7.302 997% 8% 9% 110%2 7.41 10911/2 7.508 121%: 7.477 119%: 7.568 Source: Harris Trust Savings Bank Day's change (years) 1-30 151.93 +0.46~0.05 7.22 6.99 +0.22 -0.04 134.83 +0.09-0.037.35 -0.07 145.91 +0.3415-30 181.01 +1.31 7.91 -0.07 Source: Memil Lynch April 29° Prev AT & T 3% July 1990 88% 7.00 88% 7.0 SCBT South Central 7.61 8 April 1996 8% March 1996 Arco 9% March 2016 General Motors 8% April 2015 Citicorp 9% March 2016 Source: Saloman Bra FINANCIAL FUTURES

8% 32nds of 100% 100-14 100-27 99-28 199-21

LIS Treasury Bills (IMM) \$1m points of 100% 94.13 94.20 94.08 94.14 Certificates of Deposit (IMM) \$1m points of 100% 93.58 93.58 Sept n/a 93.53 LONDON

\$1m points of 100% 93.25 93.29 93.25 93.19 June **Hotional Cit** £50,000 32nds of 100% 127-02 127-10 128-27 126-17 June

Latest available figures